

Also, petition of members of Woman's Christian Temperance Union of Cloverdale, Mich., urging repeal of postal zone rate bill; to the Committee on Ways and Means.

By Mr. HOLLINGSWORTH: Petition of George P. Hamner and 16 other citizens of Steubenville, Ohio, protesting against postal zone system; to the Committee on Ways and Means.

Also, petition of Miss Mabel E. Anderson and others, of Cadiz, Ohio, rural route 3, protesting against zone system of postage; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of certain residents of Hartford, Conn., relative to postal-zone law; to the Committee on Ways and Means.

By Mr. LUNDEEN: Petition of Minnehaha Lodge, No. 827, International Association of Machinists, Minneapolis, Minn., requesting a congressional investigation of the policies of Postmaster General as to labor conditions in the telegraph and telephone service; to the Committee on Interstate and Foreign Commerce.

Also, petition of Northwestern Lumbermen's Association, of Minneapolis, opposing Government ownership of railroads and declaring for Federal control; to the Committee on Interstate and Foreign Commerce.

By Mr. McARTHUR: Petition of Cattlemen's Association, Douglas County, Oreg., on disposition of Oregon & California Railway Co. land grants; to the Committee on the Public Lands.

By Mr. MOORE of Pennsylvania: Memorial of Philadelphia Board of Trade, relating to inland transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. NEELY: Petition of J. W. Williams, manager Williams Hardware Co., Clarksburg, W. Va., urging that new taxation bill shall be held at \$4,000,000,000; to the Committee on Ways and Means.

Also, petition of F. W. Patton, secretary Northern West Virginia Coal Operator's Association, Fairmont, W. Va., urging that the new taxation bill be kept at \$4,000,000,000; to the Committee on Ways and Means.

By Mr. POLK: Petition of members of State Board of Education of Delaware, urging full support in passage of Senate bill 4987; to the Committee on Education.

Also, petition of Joseph W. F. Quin and others, favoring House bill 10550; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Petition of Commercial Telegraphers' Union of America, Chicago, Ill., protesting against their treatment by United States Telegraph and Telephone Administration; to the Committee on Ways and Means.

Also, petition of Mrs. A. N. Wilson, Doyle, Cal., urging repeal of postal zone system; to the Committee on Ways and Means.

Also, petition of Chamber of Commerce of Sacramento, Cal., protesting against war tax on letter mail and retention of zone second-class rates on advertising matter; to the Committee on Ways and Means.

Also, petition of H. H. Gross, president Universal Military Training League, Chicago, Ill., urging bill for universal training for boys between ages of 18 and 20 years; to the Committee on Military Affairs.

Also, petition of School Woman's Club of Alameda, Cal., indorsing Senate bill 4987; to the Committee on Education.

Also, petition of certain citizens of Nevada County, Cal., demanding the repeal of postal zone-rate bill; to the Committee on Ways and Means.

Also, memorial of California Congress of Mothers and Parent-Teacher Association, requesting Congress to pass Senate bill 4987; to the Committee on Education.

Also, petitions of citizens of North Branch, Valley Springs, and San Andreas, Cal., urging repeal of postal zone system; to the Committee on Ways and Means.

By Mr. STEENERSON: Petition of Nonpartisan League Local of Dalton, Otertail County, Minn., relative to House bill 13900, motto on coins; to the Committee on Coinage, Weights, and Measures.

SENATE.

TUESDAY, January 28, 1919.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, father of our spirits, the source of our freedom, the defender of our liberties, we come before Thee to ask Thy guidance and blessing as we seek to maintain the precious inheritance that has been passed to us from our fathers and to advance the interests of Thy kingdom. We pray that we may have the satisfaction of knowing that we are God's chosen men, directed in paths to the fulfillment of God's great purpose in us

as a Nation. To this end do Thou endue us plentifully with heavenly wisdom, and give us Thy guidance and blessing for the duties of this day. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

GERMAN PROPAGANDA—PERSONAL EXPLANATION.

Mr. OVERMAN. Mr. President, I rise to a matter in the nature of a question of personal privilege. This morning there appeared in the Washington Post a statement by the Secretary of War. I will ask the Secretary to read the headlines and the first two paragraphs.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

REPUDIATED BY BAKER.—A STEVENSON'S "PACIFIST" LIST DENOUNCED BY SECRETARY.—NOT WITH WAR DEPARTMENT.—SENATE WITNESS CONNECTED WITH NEW YORK INTELLIGENCE BUREAU.—"GERMAN PROPAGANDA" LIST, SAYS SECRETARY, CONTAINS NAMES OF PEOPLE OF DISTINCTION AND UNQUESTIONED LOYALTY.—DISCLAIMED ALSO BY STATE DEPARTMENT.—MANY TELEGRAMS OF PROTEST.

[By Albert W. Fox.]

The investigation which the subcommittee of the Senate Committee on the Judiciary is conducting of pro-German propaganda took on a new aspect yesterday when Secretary of War Baker came boldly to the defense of some of the so-called pacifists whose names were contained on a list prepared by Archibald Stevenson, understood to be representing the military intelligence department. Mr. Baker denounced the list and repudiated the suggestion that Mr. Stevenson represented any branch of the War Department. He issued the following statement:

"I am receiving telegrams and letters with regard to a list of persons handed to the Senate committee by Mr. Archibald Stevenson, who is represented in newspaper accounts as a member of the Military Intelligence Division of the War Department. Mr. Stevenson has never been an officer or an employee of the Military Intelligence Division of the War Department."

Mr. OVERMAN. Mr. President, in answer to that, I ask the Secretary to read the statement I send to the desk.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

"I assume the Secretary of War in his statement published in the press this morning did not intend to criticize the Senate Committee on the Judiciary, charged with the investigation of German propaganda. Whether he approves of the method adopted by the committee or not is a matter of no concern to the committee. But when he undertakes to repudiate and escape responsibility for a witness called by that committee at the instance of one of the branches of the War Department his statement can not be permitted to go unchallenged."

"The facts are these: Secretary Baker declares that 'Mr. Stevenson has never been an officer or an employee of the Military Intelligence Division of the War Department.'"

"This committee never heard of Mr. Stevenson until his name was called to the attention of the committee in a communication from the office of Military Intelligence, War Department, New York City, dated December 17, 1918, addressed to the Director of Military Intelligence, Washington, D. C., which communication, with a notation to rush, was delivered by the office of the Director of Military Intelligence, Washington, D. C., to this committee, and the portion thereof relating to Mr. Stevenson reads as follows:

"WAR DEPARTMENT,
"OFFICE OF MILITARY INTELLIGENCE,
"ROOM NO. 806, 302 BROADWAY,
"New York City, December 17, 1918."

"From: Office M. I. D., 302 Broadway, New York.
"To: Director of Military Intelligence, Washington, D. C.
"Subject: Senate inquiry."

"1. It is respectfully suggested that the following witnesses be called to testify before the Senate inquiry:

"Archibald Ewing Stevenson, of the propaganda section, who has studied German propaganda in the United States for over a year and concentrated on the subject, and is probably more familiar with the various interlocking groups of German and radical propagandists in the United States at this time than anyone else."

"JOHN B. TRAVOR,
"Captain, U. S. A."

"It is evident that the Secretary of War did not familiarize himself with the employees of his department or the work which was being done by the Bureau of Military Intelligence."

Mr. OVERMAN. Mr. President, I hold in my hand the original letter that came to the committee, signed by Capt. Travor. Senators will notice this pink slip of paper inscribed "Rush." The letter was rushed to the committee, calling our attention to this man Stevenson, asserting that he had been in the department for a year studying German propaganda and was the man who should be brought before our committee. With that pink slip there was another slip of a different color—I do not know why they use different colors—also containing the inscription "Rush." It was rushed to me, and after getting this letter, as I have set forth in the statement read by the Secretary, I

subpoenaed Mr. Stevenson. He came before us and testified that he had been employed by the War Department, knew all about this matter, and would give us some very valuable testimony. So the Secretary of War, under the circumstances, it seems to me, ought to have made some investigation before he gave out the statement appearing in the newspaper.

STATE, WAR, AND NAVY DEPARTMENT BUILDINGS (S. DOC. NO. 362).

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of the Treasury, transmitting a letter from the Superintendent of the State, War, and Navy Department buildings, submitting a supplemental estimate of appropriations in the sum of \$507,624 required for salaries and expenses of buildings under his supervision for the fiscal year 1920, etc., which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. Smith, its chief clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3220) authorizing the Secretary of the Interior to make investigations, through the Bureau of Mines, of lignite coals and peat to determine the practicability of their utilization as a fuel and in producing commercial products.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H. R. 13708) providing for the relief of such populations in Europe and countries contiguous thereto, outside of Germany, as may be determined upon by the President as necessary.

The message also announced that the House had passed a bill (H. R. 13026) to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 390. An act to establish the Grand Canyon National Park, in the State of Arizona; and

S. 5318. An act granting a pension to Edith Carow Roosevelt.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented resolutions adopted by the Legislature of the State of Arizona petitioning Congress to pass the woman suffrage amendment, which were ordered to lie on the table.

He also presented resolutions adopted by the Legislature of the State of Montana petitioning Congress to pass the woman suffrage amendment, which were ordered to lie on the table.

Mr. SMITH of Arizona. I present a house joint resolution of the Legislature of the State of Arizona favoring the passage of the constitutional amendment granting the right of suffrage to women. As it comes from the legislature of a State, I ask that it be printed in the RECORD. Otherwise I would not ask to have it so printed.

The resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

STATE OF ARIZONA.
OFFICE OF THE SECRETARY.
UNITED STATES OF AMERICA,
State of Arizona, ss.:

I, Mit Simms, secretary of state, do hereby certify that the within is a true, correct, and complete transcript of House joint resolution No. 3 of the Fourth Legislature of the State of Arizona, 1919, petitioning the "Senate of the United States to approve and pass at the earliest convenient moment the proposed amendment to the Constitution of the United States, now pending before that body, which has for its object the granting of the right of suffrage to the women of the United States of America," all of which is shown by the original copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of Arizona. Done at Phoenix, the capital, this 22d day of January, A. D. 1919.

MIT SIMMS,
Secretary of State.

House joint resolution 3.

Be it resolved by the House of Representatives of the State of Arizona (the Senate concurring herein):

SECTION 1. That the Fourth Legislature of the State of Arizona, this day assembled in regular session, most respectfully petitions and re-

quests the Senate of the United States to approve and pass at the earliest convenient moment the proposed amendment to the Constitution of the United States, now pending before that body, which has for its object the granting of the right of suffrage to the women of the United States of America.

SEC. 2. Resolved further, That the secretary of state be, and he is hereby, instructed, immediately upon the passage of this resolution, to forward, under the great seal of the State of Arizona, to the Secretary of the United States Senate and to Hon. HENRY F. ASHURST and Hon. MARCUS A. SMITH, United States Senators for the State of Arizona, individual transcripts hereof.

Passed the house January 14, 1919, by the following vote: Ayes 33, no —, 2 absent.

A. C. PETERSON,
Speaker of the House.
SAM B. BRADNER,
Chief Clerk of House.

Third reading, January 21, 1919, and passed the senate by the following vote: Ayes 16, no —, absent —, excused 3.

A. A. JOHNS,
President of the Senate.
L. F. SWEETING,
Secretary of Senate.

Approved January 21, 1919.

THOMAS E. CAMPBELL,
Governor of Arizona.

Filed in the office of the secretary of the State of Arizona this 21st day of January, A. D. 1919, at 4 p. m.

MIT SIMMS,
Secretary of State.
By R. E. MCGILLEN,
Assistant Secretary.

Mr. SMITH of Arizona. I also present senate memorial 2 from the Legislature of the State of Arizona, touching the publicity of the returns of income taxes, which I ask may be printed in the RECORD and referred to the Committee on Finance.

The memorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SENATE CHAMBER, STATEHOUSE,
PHOENIX, ARIZ.

Senate memorial 2.

To the Senate and House of Representatives of the Congress of the United States of America:

Your memorialist, the State Senate of the Fourth Legislature of the State of Arizona respectfully represents that—

Whereas the assignment of quotas to raise funds for various war purposes, such as the sale of liberty bonds, war savings stamps, Red Cross, Young Men's Christian Association, Knights of Columbus, and similar purposes, during the recent war waged by the Government of the United States against the Imperial German Government, has shown the necessity of having some definite means of ascertaining the wealth of citizens other than the means of popular estimation; and

Whereas unjust hardships have been inflicted upon certain citizens of our State by compelling them to subscribe more than they could really afford to the various war activities, and in some instances citizens have been penalized for not subscribing what some arbitrary individual or committee thought they should subscribe; and

Whereas other citizens who were well fixed in this world's goods failed miserably to subscribe more than a pittance for war purposes: Now, therefore, be it

Resolved by the Senate of the Fourth Legislature of the State of Arizona, That the Congress of the United States be, and it is hereby, urged to enact any legislation that may be necessary to make "income-tax returns" public records; be it further

Resolved, That engrossed copies of this memorial be sent to Arizona's Senators and Representative in Congress, and that they be respectfully requested to use their every influence and all the power at their command to accomplish the enactment of such legislation.

Passed the senate January 21, 1919, by the following vote—16 ayes, 3 excused.

A. A. JOHNS,
President of the Senate.

Attest:

L. F. SWEETING,
Secretary of the Senate.

Mr. MYERS. I present a memorial to the United States Senate from the Legislature of Montana upon the passage of the resolution for a suffrage constitutional amendment. I ask that it be printed in the RECORD.

The memorial was ordered to lie on the table and to be printed in the RECORD, as follows:

House joint memorial 1.

A memorial to the Senate of the United States to pass an amendment to the Federal Constitution and submit the same to the several States for ratification, extending the right of suffrage to the women citizens of the United States of America.

To the honorable SENATE OF THE UNITED STATES OF AMERICA:

Your memorialists, the members of the Sixteenth Legislative Assembly of the State of Montana, the senate and house concurring, respectfully represent:

Whereas it appears that a majority of the people of the United States of America are in favor of extending the right of suffrage to the women citizens of the United States of America, and

Whereas there is now pending before the Senate of the United States a measure proposing an amendment to the Federal Constitution designed to effect such extension of suffrage; now, therefore, be it

Resolved by the house (the Senate concurring). That we, the members of the Sixteenth Legislative Assembly of the State of Montana, do hereby petition and earnestly pray the Senate of the United States that such measure proposing an amendment to the Federal Constitution so extending the right of suffrage be passed and submitted to the several States for ratification; and

Resolved further, That a copy of of this memorial be forwarded by the secretary of state of Montana to the Senate of the United States, and

that copies hereof be transmitted by the secretary of state of Montana to the Montana Senators in the Congress of the United States.

(Signed) O. W. BELDEN,
Speaker of the House.
(Signed) J. E. EDWARDS,
President of the Senate pro tempore.

Approved January 23, 1919:

(Signed) S. V. STEWART, Governor.

UNITED STATES OF AMERICA.

State of Montana, ss:

I, C. T. Stewart, secretary of state of the State of Montana, do hereby certify that the foregoing is a true and correct copy of house joint memorial No. 1, "A memorial to the Senate of the United States to pass an amendment to the Federal Constitution and submit the same to the several States for ratification, extending the right of suffrage to the women citizens of the United States of America," enacted by the Sixteenth Legislative Assembly of the State of Montana, and approved by S. V. Stewart, governor of said State, this 23d day of January, 1919.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State. Done at the city of Helena, the capital of said State, this 23d day of January, A. D. 1919.

[SEAL.]

C. T. STEWART, Secretary of State.

Mr. CURTIS. I desire to have a telegram read embodying a resolution of the Kansas Legislature.

There being no objection, the resolution was read, as follows:

TOPEKA, KANS., January 28, 1919.

HON. CHARLES CURTIS,

United States Senate, Washington, D. C.:

Both Houses of the Kansas Legislature unanimously passed the following concurrent resolution:

"Whereas there is now pending in the Senate of the United States a constitutional amendment providing for national woman suffrage; and

"Whereas it is an acknowledged fact that the enfranchisement of the women of Kansas has worked satisfactorily and tended toward better government in the State; and

"Whereas equality and justice to all people, for which the nations of the world have been struggling and for which the great war has been waged, requires the granting of suffrage to American women who, equally with the men of this country, have borne the burden of the war and have loyally and ungrudgingly given their sons and their personal services that liberty might live and the world be made free to the end that our own Government might not perish: Therefore be it

"Resolved, That the Senate of the United States is most earnestly requested to, without delay, pass the Federal amendment giving the women of the United States full suffrage."

HENRY J. ALLEN, Governor.

Mr. JOHNSON of South Dakota. I have received a communication from the secretary of state of the State of South Dakota, transmitting a certified copy of a concurrent resolution passed by the legislature of that State relating to inundated lands in Charles Mix County. I ask that the communication and accompanying resolution be printed in the RECORD and referred to the Committee on Public Lands.

The communication and accompanying resolution were referred to the Committee on Public Lands and ordered to be printed in the RECORD, as follows:

STATE OF SOUTH DAKOTA,
DEPARTMENT OF STATE,
Pierre, January 24, 1919.

HON. ED. S. JOHNSON,

Washington, D. C.

DEAR SENATOR: I have the honor to hand you herewith certified copy of concurrent resolution, which originated in the house of representatives and is concurred in by the senate, relating to inundated lands in Charles Mix County, said inundation being caused by the overflow of certain wells, and requesting the Congress of the United States at its next session to appropriate a sufficient sum to reimburse the owners of said lands.

Will you please give the matter your careful attention?

Very truly, yours,

C. A. BURKHART,
Secretary of State.

Certificate.

UNITED STATES OF AMERICA,
STATE OF SOUTH DAKOTA,
SECRETARY'S OFFICE.

I, C. A. Burkhardt, secretary of state, do hereby certify that the annexed bill, to wit, house concurrent resolution, was duly passed by the sixteenth session of the Legislature of the State of South Dakota, and that the same is now in full force and effect.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of South Dakota, at the city of Pierre, January 24, 1919.

[SEAL.]

C. A. BURKHART,
Secretary of State.

HON. C. A. BURKHART,

Secretary of State:

The following concurrent resolution has been adopted by the house of representatives and concurred in by the senate:

Be it resolved by the House of Representatives of the State of South Dakota (the Senate concurring):—

Whereas Congress has at various times appropriated funds for the purpose of sinking four flowing artesian wells on the border of a certain meandered lake known as Lake Andes, and located in the county of Charles Mix and State of South Dakota, for the purpose of furnishing water and fish for the Indians; and

Whereas the level of said lake has been raised several feet by the continuous flow of water discharged from the above-mentioned wells, causing the water to inundate large areas of valuable surveyed and patented agricultural land adjacent to the said lake, and that the lands so submerged are rendered worthless thereby to the owners thereof for either agricultural or grazing purposes, and that there are at least

1,500 acres of such land so submerged, and that the damage to these lands by said inundation or overflow is not less than \$100 per acre, and that the owners of said lands are justly entitled to full compensation for such damage from the Government of the United States, by whose authority the said wells were sunk which caused the submergence or overflow of said lands: Therefore, be it

Resolved by the Senate of the State of South Dakota (the house of Representatives concurring). We earnestly though respectfully request the Congress of the United States at its next session to appropriate a sufficient sum to reimburse said overflowed land owners.

For the house:

LEWIS BENSON,
Speaker.
WRIGHT TARBELL,
Chief Clerk.

For the senate:

C. S. AMSDEN,
President pro tempore.
A. B. BLAKE,
Secretary.

Dated at Pierre, S. Dak., this 22d day of January, A. D. 1919.

Mr. CHAMBERLAIN. I present a joint memorial of the Legislature of Oregon, which I ask to have printed in the RECORD and referred to the Committee on Mines and Mining.

There being no objection, the joint memorial was referred to the Committee on Mines and Mining and ordered to be printed in the RECORD, as follows:

Senate joint memorial 3.

To the honorable the Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialists, the Legislative Assembly of the State of Oregon, respectfully represent that—

Whereas the Government of the United States required war equipment and supplies which could not be produced without chromite; and

Whereas the urgent need for ships for military purposes cut off the supplies from abroad upon which this country previously had depended; and

Whereas the Government, through its departments and war boards at Washington, advertised this great need for chromite by issuing circulars, bulletins, and letters urging the people to search for, to mine, and to deliver chromite ore; and

Whereas a large number of Oregon miners, most of whom are men of small means, responded freely to these Government advertisements by building roads and trails, making open cuts and otherwise developing chromite mines and preparing to furnish this mineral to the Government; and who will be financially ruined unless relief comes immediately; and

Whereas there is now pending in the Congress of the United States a bill entitled "A bill to supplement an act of Congress approved October 5, 1918 (Public, No. 220), and to authorize the Secretary of the Interior, from the funds appropriated by said act, to determine, to adjust, and pay losses sustained by investments preparatory to production of war minerals mentioned in said act." Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House concurring). That the Legislative Assembly of the State of Oregon favor the enactment by Congress of Senate bill 5234, and to that end the Senators and Representatives in Congress of the United States from the State of Oregon are hereby urged to use their influence in behalf of the passage of said bill; and be it further

Resolved, That the chief clerk of the Senate of Oregon be directed to transmit by mail a copy of this memorial to the President of the United States Senate and the Speaker of the House of Representatives of the United States and to each of the Senators and Representatives from the State of Oregon in Congress.

Adopted by the house January 20, 1919.

SEYMOUR JONES,
Speaker of the House.

Adopted by the senate January 16, 1919.

W. J. VINTON,
President of the Senate.

Mr. CHAMBERLAIN. I present a joint memorial of the Legislature of Oregon, which I ask to have printed in the RECORD. The joint memorial was ordered to lie on the table and be printed in the RECORD, as follows:

Senate joint memorial 8.

Whereas there is now pending before the Congress of the United States an act "to provide revenue, and for other purposes," commonly known as the 1918 revenue bill; that section 628 of this bill as passed the House of Representatives contained a provision in section 628 thereof authorizing the collection of a tax of 20 per cent of the selling price on all fruit and berry juices produced in the United States, according to a ruling of the Treasury Department of the United States in construing a similar provision in the revenue act of October 4, 1917; and

Whereas said provision of the bill was amended by the Senate of the United States so as to except from the operation thereof fruit and berry juices, and afterwards passed by said body as amended; and

Whereas a conference committee appointed by each House of Congress is now considering the amendment as adopted by the United States Senate, and, according to information received by the manufacturers of loganberry and apple juices in this State, intends to submit a report to each House of Congress recommending that the bill be amended so as to impose a tax of 10 per cent of the selling price of such fruit and berry juices; and

Whereas the imposition of such a tax would render valueless great manufacturing industries which have been built up in the States of Oregon, Washington, and elsewhere at a cost of vast sums of money; and

Whereas a large portion of the most fertile agricultural land in the Northwest is now devoted to the growth and culture of loganberries and apples, which are manufactured into loganberry and apple juices, thereby giving permanent employment to thousands of our citizens, which could not continue under the burdens of such tax; and

Whereas the taxation of the loganberry and apple juices as contemplated by said revenue bill, and the consequent destruction of our manufacturing and agricultural industries, would deprive this State of giving employment to the returning soldiers, sailors, and marines now in the service of their country; and

Whereas loganberry and apple juices as manufactured in the Northwest are food products rather than beverages, and therefore should not be classified with synthetic concoctions, such as root beer, ginger ale, pop, etc., as is proposed by said pending bill:

Be it resolved by the senate (the house concurring). That our Senators and Representatives in Congress be, and they are hereby, memorialized and requested to use their utmost endeavors to procure the passage of said revenue bill with the elimination of loganberry and apple juices from taxation therein as passed by the Senate of the United States; that copies of this concurrent resolution be forthwith forwarded to each member of the conference committee of the Senate and House of Representatives in Congress, and also copies to the Senators and Representatives from the States of Oregon and Washington.

Adopted by the house January 22, 1919.

SEYMOUR JONES,
Speaker of the House.

Adopted by the senate January 21, 1919.

W. J. VINTON,
President of the Senate.

Mr. LODGE presented a petition of the Linden Methodist Episcopal Church, of Malden, Mass., and a petition of the Society of Friends, of Lynn, Mass., praying for the establishment of a league of nations, which were referred to the Committee on Foreign Relations.

Mr. NELSON presented resolutions adopted by the Minnesota Shorthorn Breeders' Association, of St. Paul, Minn., favoring an increase in the salaries of veterinarians of the Bureau of Animal Industry, which were referred to the Committee on Agriculture and Forestry.

Mr. CURTIS presented a petition of the Board of Trade Association, of Hutchinson, Kans., and a petition of the Kansas Traffic Association, of Topeka, Kans., praying for the return to private ownership of the railroads of the country, which were referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by Local Lodge No. 340, International Brotherhood of Boiler Makers, Iron-Ship Builders, and Helpers of America, of Herrington; of Local Council No. 32, International Brotherhood of Blacksmiths and Helpers, of Topeka; of Local Lodge No. 240, International Brotherhood of Boiler Makers, Iron-Ship Builders, and Helpers of America, of Arkansas City; of the Central Labor Union of Fort Scott; of Local Lodge No. 24, International Association of Machinists, of Topeka; of Local Lodge No. 277, International Brotherhood of Railway Carmen of America, of Parsons; of Local Lodge No. 292, International Boiler Makers, Iron-Ship Builders, and Helpers of America, of Parsons; of Local Lodge No. 13, International Association of Railroad Supervisory Foremen of Locomotive and Car Department, of Parsons; and of Local Lodge No. 409, International Brotherhood of Blacksmiths and Helpers, of Parsons, all in the State of Kansas, favoring Government ownership of railroads, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of Sunnyside Grange, No. 1588, Patrons of Husbandry, of Gridley, Kans., remonstrating against compulsory military training, which was referred to the Committee on Military Affairs.

Mr. COLT presented a petition of sundry citizens of Newport, R. I., praying for Government ownership of railroads, which was referred to the Committee on Interstate Commerce.

Mr. TOWNSEND presented a petition of Local Lodge No. 997, International Brotherhood of Railway Carmen of America, of Detroit, Mich., and a petition of sundry citizens of Port Huron, Mich., praying for Government ownership of railroads, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Michigan State Board of Registration of Nurses, favoring the granting of commissions to Army nurses, which was referred to the Committee on Military Affairs.

He also presented a petition of the Board of Commerce of Pontiac, Mich., praying for a speedy settlement of war-munition contracts, which was ordered to lie on the table.

He also presented memorial of Carpenters Local Union, No. 1226, of Manistee, Mich., remonstrating against the operation of the Federal Employment Service, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Teachers' Club, of Saginaw, Mich., favoring the establishment of a department of education, which was referred to the Committee on Education and Labor.

DISTRICT ATTORNEY OF NEW YORK.

Mr. FLETCHER, from the Committee on the Judiciary, to which was referred the bill (S. 2124) to fix the salary of the United States district attorney for the eastern district of New York, reported it without amendment.

ASSISTANT CLERK OF THE COMMITTEE ON THE JUDICIARY.

Mr. THOMPSON, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 424, submitted by Mr. OVERMAN on the 27th

instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to as follows:

Resolved, That the authority given to the Committee on the Judiciary by S. Res. 325, agreed to October 24, 1918, to employ an assistant clerk at a salary not to exceed \$5 per diem, for a period not to exceed four months, be, and the same is hereby, extended and continued in full force and effect until the end of the Sixty-fifth Congress.

AGNES KELLEY.

Mr. THOMPSON, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 427, submitted by Mr. THOMPSON (for Mr. SMITH of Maryland) on the 27th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Agnes Kelley, widow of John N. Kelley, late a laborer in the employ of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

SENATOR FROM MICHIGAN.

Mr. POMERENE. I present an amendment to Senate resolution 415. I ask that it may be read for the information of the Senate, printed, and lie on the table.

The VICE PRESIDENT. The Secretary will read the proposed amendment.

The Secretary read as follows:

Resolved further, That the Committee on Privileges and Elections, or any subcommittee or subcommittees or members thereof, duly authorized by the Committee on Privileges and Elections, be, and they are hereby, authorized, empowered, and directed to investigate fully the statements of facts, charges, and allegations contained in the communication of Mr. Truman H. Newberry by Mr. J. O. Murfin, his attorney at law and in fact, dated January 23, 1919, and presented to the Senate of the United States on January 27, 1919, as appears of record, relating to the election of a United States Senator on November 5, 1918, and to make report thereon to the Senate as early as may be, and from time to time, if they deem best, submit to the Senate all the testimony and the results of these said hearings thereon.

And for the purposes herein contained there is hereby conferred upon the Committee on Privileges and Elections of the Senate, or any subcommittee or subcommittees or members thereof, all the powers, privileges, and duties hereby conferred upon them in this resolution, relating to the petition filed with the Senate by Mr. Henry Ford contesting the election of Mr. Truman H. Newberry.

And the Sergeant at Arms of the Senate and his deputy are hereby required to attend the said Committee on Privileges and Elections, or any subcommittee thereof, and to execute their directions.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 5447) to increase the cost of the public building at Spanish Fork, Utah;

A bill (S. 5448) to authorize the appropriation of \$50,000 for the erection of a public building at Nephi, Utah;

A bill (S. 5449) to increase the cost of the public building at Eureka, Utah; and

A bill (S. 5450) to increase the cost of the public building at Vernal, Utah; to the Committee on Public Buildings and Grounds.

By Mr. PENROSE:

A bill (S. 5451) to repeal the power of the President of the United States to requisition vessels building in the shipyards of the United States;

A bill (S. 5452) to repeal a portion of section 37 of the shipping act of 1916; and

A bill (S. 5453) to repeal the act approved October 6, 1917; to the Committee on Commerce.

By Mr. KENYON:

A bill (S. 5454) granting an increase of pension to Amanda F. Mahin (with accompanying papers);

A bill (S. 5455) granting an increase of pension to Franklin Bryan (with accompanying papers); and

A bill (S. 5456) granting a pension to Joseph W. Wolf (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 5457) donating captured cannon and cannon balls to the city of Conway Springs, Kans.;

A bill (S. 5458) donating captured cannon and cannon balls to the city of Dodge City, Kans.; and

A bill (S. 5459) donating captured cannon and cannon balls to the city of Goodland, Kans.; to the Committee on Military Affairs.

A bill (S. 5460) granting a pension to Fred Thompson (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 5461) granting a pension to John Francis Buckley (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 5462) to increase the cost of the public building at Durango, Colo.; to the Committee on Public Buildings and Grounds.

By Mr. CHAMBERLAIN:

A bill (S. 5463) to authorize the Secretary of War to turn over certain Army supplies to the American National Red Cross; to the Committee on Military Affairs.

Mr. MARTIN of Virginia (for Mr. SMITH of Maryland):

A bill (S. 5466) granting a pension to William Dugent, alias William Brown; to the Committee on Pensions.

By Mr. HOLLIS:

A bill (S. 5467) to amend the Federal farm-loan act, approved July 17, 1916; to the Committee on Banking and Currency.

By Mr. TOWNSEND:

A bill (S. 5468) granting a pension to Benjamin A. Sturtevant (with accompanying papers); and

A bill (S. 5469) granting a pension to Annie Manchester (with accompanying papers); to the Committee on Pensions.

EDUCATION OF ILLITERATES.

Mr. SMITH of Georgia. I introduce a bill providing for the education of native illiterates, of persons unable to understand or use the English language, and of other resident persons of foreign birth, which I ask to have printed in full in the Record and referred to the Committee on Education and Labor.

The bill (S. 5464) to promote the education of native illiterates, of persons unable to understand and use the English language, and of other resident persons of foreign birth; to provide for cooperation with the States in the education of such persons in the English language, the fundamental principles of government and citizenship, the elements of knowledge pertaining to self-support and home making, and in such other work as will assist in preparing such illiterates and foreign-born persons for successful living and intelligent American citizenship, was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the Record, as follows:

Be it enacted, etc., That the Secretary of the Interior, through the Bureau of Education and in cooperation with any other Federal agencies which may be able through their existing organizations to furnish assistance therein, is hereby authorized and directed to cooperate with the several States in the education of illiterates, of persons unable to understand, speak, read, or write the English language, and of other resident persons of foreign birth, and in the training and preparation of teachers, supervisors, and directors for such educational work.

Sec. 2. That for the purpose of cooperating with the several States in paying the salaries of teachers, supervisors, and directors of the educational work herein there is hereby authorized to be appropriated for the use of the several States and subject to the provisions of this act for the fiscal year ending June 30, 1919, the sum of \$5,000,000 for the fiscal year ending June 30, 1920, and annually thereafter until the end of the fiscal year ending June 30, 1926, the sum of \$12,500,000.

Sec. 3. That for the purpose of cooperating with the several States in preparing teachers, supervisors, and directors for educational work under this act there is hereby authorized to be appropriated for the use of the several States for the fiscal year ending June 30, 1919, the sum of \$250,000, for the fiscal year ending June 30, 1920, and annually thereafter until the end of the fiscal year ending June 30, 1926, the sum of \$750,000 annually.

Sec. 4. That any State may secure the benefits of this act by acceptance of its provisions and by the designation of an appropriate official to act as custodian of moneys allotted and by authorizing its department of education or chief school officer to cooperate with the United States in the educational work herein authorized, and after June 30, 1919, the appropriation herein made shall be available only in the event that each State or municipal corporation thereof acting through or in conjunction with the State shall appropriate, make available, and use for such educational work an amount equal to that allotted by the United States: *Provided*, That no State shall be entitled to participate in the benefits of this act until it shall by appropriate legislation require the instruction for not less than 200 hours per annum of all illiterate minors or minors unable to speak, read, or write the English language more than 16 years of age at schools or places or by other methods of elementary instruction until such minors have completed a course in English generally equivalent to that supplied by third-grade schools: *Provided further*, That no money authorized to be appropriated by the preceding sections of this act or appropriated by any of the States to carry out its provisions shall be authorized to be used for any other purpose than for the salaries of teachers, supervisors, or directors of education or for the preparation and training of such teachers.

Sec. 5. That the sums herein authorized to be appropriated shall be apportioned to the several States annually in the proportion which the total number of resident illiterate persons 10 years of age and over and of persons 10 years of age and over unable to speak the English language in that State bears to the total number of illiterate resident persons 10 years of age and over and of persons 10 years of age and over unable to speak the English language in the United States, exclusive of the District of Columbia, according to the last published preceding United States census.

Sec. 6. That in order to secure the benefits of this act each State, acting through its proper board or officer, shall submit to the Secretary of the Interior for his approval plans showing the manner in which it is proposed that the appropriation shall be used, including the kind of instruction and equipment to be provided, courses of study, methods of instruction, qualifications of teachers, supervisors, and directors, and

the kind of schools in which and the conditions under which training of teachers, supervisors, and directors is to be given.

Sec. 7. That it shall be the duty of the Secretary of the Interior to ascertain whether the several States are using or are prepared to use the money allotted to them under this act, and on or before the 10th day of August in each year he shall certify to the Secretary of the Treasury those States which have accepted the provisions of the act and complied therewith, specifying the amounts of money which each State is entitled to receive under the provisions of this act. Upon such certification the Secretary of the Treasury shall pay to the States entitled thereto the moneys available under this act, payments to be made quarterly on the 15th day of August, November, February, and May of each year.

Sec. 8. That it shall be the duty of the Secretary of the Treasury to withhold the allotment of moneys to any State whenever it shall be determined by the Secretary of the Interior that moneys previously allotted have not been expended for the purposes and under the conditions of this act, or that other terms and conditions of this act have not been complied with.

Sec. 9. That if any portion of the moneys received by any State under the provisions of this act shall be diminished, lost, or expended for purposes other than those authorized and contemplated herein, such moneys shall be replaced by the State and until so replaced no subsequent appropriation for such educational work shall be made to that State. That whenever any portion of the fund allotted to any State has not been expended within the year for the purpose provided in this act, a sum equal to the unexpended portion shall be withheld by the Secretary of the Treasury from the next succeeding annual allotment under this act to such State.

Sec. 10. That there is hereby authorized to be appropriated the sum of \$250,000 for the fiscal year ending June 30, 1919, and annually thereafter until the end of the fiscal year ending June 30, 1926, the sum of \$1,000,000 for the purpose of administering, carrying out, and enforcing the provisions of this act for cooperative work hereunder, for investigations, studies, and reports through the Bureau of Education, for salaries of officers and assistants, other office and incidental expenses, including the cost of printing, personal services in the District of Columbia and elsewhere, necessary traveling expenses of employees, stationery, office furniture and equipment, and any other expenses necessary in the administration of this act.

Sec. 11. That except as provided in section 10 hereof no moneys appropriated under this act shall be applied directly or indirectly to the purchase, erection, preservation, or repair of any building or buildings or equipment, or for the purchase or rental of lands, or for the support of any religious or privately owned and conducted school or institution.

Sec. 12. That the Secretary of the Interior shall make an annual report to Congress on or before December 1 of each year of all operations, expenditures, and allotments under the provisions of this act, including statement as to what has been done by the several States thereunder.

Sec. 13. That the Secretary of the Interior is hereby authorized to perform any and all acts and make all rules and regulations which he shall deem necessary and proper to carry this act into full force and effect.

COTTON FUTURES.

Mr. SMITH of Georgia. I introduce a bill to amend paragraph 5 of section 5 of the so-called cotton-futures act, which I ask to have printed in the Record and referred to the Committee on Agriculture and Forestry.

The bill (S. 5465) to amend paragraph 5 of section 5 of the United States cotton-futures act, approved August 11, 1916, and for other purposes, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the Record, as follows:

Be it enacted, etc., That the fifth paragraph of section 5 of the United States cotton-futures act, approved August 11, 1916, be, and is hereby, amended by striking out all of paragraph 5 after the word "cotton," on line 1, and inserting the following: "to be delivered on, under, or in settlement of such contracts shall be middling, strict low middling, low middling, strict middling, and good middling, the grades mentioned being of the official cotton standards of the United States of white cotton, and the average deliveries shall not grade below middling," so that the paragraph as amended will read as follows:

"Fifth. Provided that cotton to be delivered on, under, or in settlement of such contract shall be middling, strict low middling, low middling, strict middling, and good middling, the grades mentioned being of the official cotton standards of the United States of white cotton, and the average deliveries shall not grade below middling."

AIDS TO NAVIGATION.

Mr. JONES of Washington submitted an amendment intended to be proposed by him to the bill (H. R. 13706) to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

RIVER AND HARBOR APPROPRIATIONS.

Mr. KIRBY submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENTS TO APPROPRIATION BILL.

Mr. FLETCHER submitted an amendment proposing to appropriate \$106,000 for investigation of rural education, industrial education, physical education, and school hygiene, including personal service in the District of Columbia and elsewhere, etc., intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. KELLOGG submitted an amendment providing that where the constitution of any State prohibits the same from

engaging upon internal improvements, or from contracting public debts for extraordinary purposes in an amount sufficient to meet the monetary requirements of the act of July 11, 1916, etc., the sum to which such State is entitled shall be withdrawn by the Secretary of the Treasury from the principal fund, etc., intended to be proposed by him to the Post Office appropriation bill, which was ordered to lie on the table and be printed.

COMMITTEE SERVICE.

On motion of Mr. WARREN it was

Ordered, That the Senator from Minnesota, Mr. KELLOGG, be relieved from further service as a member of the Committee on Privileges and Elections and that the Senator from Missouri, Mr. SPENCER, be assigned as a member thereof; and

That the Senator from Wyoming, Mr. WARREN, be relieved from further service as a member of the Committee on Agriculture and Forestry and that the Senator from New Hampshire, Mr. MOSES, be assigned as a member thereof.

THE CENSUS—CONFERENCE REPORT.

Mr. SHEPPARD. I submit a conference report on the census bill, which I ask may, with the accompanying statement, be printed in the RECORD.

The VICE PRESIDENT. It is an unusual procedure in the Senate to print statements filed by conferees.

Mr. SHEPPARD. Then I withdraw the statement and ask that the report lie on the table and be printed in the RECORD.

The VICE PRESIDENT. It will be so ordered.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11984) to provide for the Fourteenth and subsequent decennial censuses, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 24, 27, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 29, 30, 31, 32, 33, 34, 35, 36, 37, and 38, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following:

"That a census of the population; agriculture, manufactures, forestry and forest products, and mines and quarries of the United States shall be taken by the Director of the Census in the year 1920 and every 10 years thereafter. The census herein provided for shall include each State, the District of Columbia, Alaska, Hawaii, and Porto Rico. A census of Guam and Samoa shall be taken in the same year by the respective governors of said islands and a census of the Panama Canal Zone by the Governor of the Canal Zone in accordance with plans prescribed or approved by the Director of the Census."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: "\$5,000; the chief clerk and three chief statisticians for the divisions of population, manufactures, and agriculture, respectively, \$4,000 each; three"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out insert the following: "for the divisions of vital statistics and statistics of cities, and the chief statistician provided for in section 3 of this act, \$3,600 each"; also, on page 4, line 9, of the engrossed bill, strike out the word "and"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: "\$3,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following:

"That whenever possible women and honorably discharged soldiers, sailors, and marines shall be employed in the positions herein provided for, if in the judgment of the Director of the Census they are found to possess the business capacity necessary for the proper discharge of the duties of such positions."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with

an amendment as follows: In lieu of the matter proposed by the Senate, insert the following: "subject to the approval of the United States Civil Service Commission, these"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: "applicants claim to have"; also on page 6, line 16, of the engrossed bill, strike out the word "or" where it occurs the first time and insert the word "of"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following:

"And provided further, That in the selection of the additional clerks and employees provided for by section 6 the Director of the Census is authorized to use, so far as practicable, the re-employment registers established by Executive order of November 29, 1918, so far as the same applies to permanent appointments by competition."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 26 and agree to the same with an amendment, as follows: In lieu of the matter proposed by the Senate insert the following:

"Sec. 8. That the Fourteenth Census shall be restricted to inquiries relating to population, to agriculture, to manufactures, to forestry and forest products, and to mines and quarries. The schedules relating to population shall include for each inhabitant the name, place of abode, relationship to head of family, color, sex, age, conjugal condition, place of birth, place of birth of parents, nationality or mother tongue of all persons born in foreign countries, nationality or mother tongue of parents of foreign birth, number of years in the United States, citizenship, occupation, whether or not employer or employee, whether or not engaged in agriculture, school attendance, literacy, tenure of home and the encumbrance thereon, and the name and address of each blind or deaf and dumb person.

"The schedules relating to agriculture shall include name, color, sex, and country of birth of occupant of each farm, tenure, acreage of farm, acreage of woodland, value of farm and improvements, and the encumbrance thereon, value of farm implements, number of live stock on farms, ranges, and elsewhere, and the acreage of crops and the quantities of crops and other farm products for the year ending December 31 next preceding the enumeration. Inquiries shall be made as to the quantity of land reclaimed by irrigation and drainage and the crops produced; also as to the location and character of irrigation and drainage enterprises, and the capital invested in such enterprises.

"The schedules of inquiries relating to manufactures, to forestry and forest products, and to mines and quarries shall include the name and location of each establishment; character of organization, whether individual, corporate, or other form; character of business or kind of goods manufactured; amount of capital actually invested; number of proprietors, firm members, copartners and officers, and the amount of their salaries; number of employees and the amount of their wages; quantity and cost of materials used in manufactures; principal miscellaneous expenses; quantity and value of products; time in operation during the year; character and quantity of power used; and character and number of machines employed.

"The census of manufactures, of forestry and forest products, and of mines and quarries shall relate to the year ending December 31, next preceding the enumeration of population, and shall be confined to manufacturing establishments and mines and quarries which were in active operation during all or a portion of that year. The census of manufactures shall furthermore be confined to manufacturing establishments conducted under what is known as the factory system, exclusive of the so-called neighborhood, household, and hand industries.

"Whenever he shall deem it expedient, the Director of the Census may charge the collection of these statistics upon special agents or upon detailed employees, to be employed without respect to locality.

"The number, form, and subdivision of inquiries provided for in section 8 shall be determined by the Director of the Census."

And the Senate agree to the same.

MORRIS SHEPPARD,

HENRY F. ASHURST,

Managers on the part of the Senate.

W. C. HOUSTON,

J. B. ASWELL,

CHARLES A. NICHOLS,

Managers on the part of the House.

FOOD SUPPLIES FOR EUROPE—CONFERENCE REPORT.

Mr. MARTIN of Virginia. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13708) providing for the relief of such populations in Europe, and countries contiguous thereto, outside of Germany, as may be determined upon by the President as necessary. It needs prompt action if it is to be acted upon at all. There has been no change made in what the Senate did, and I am sure it will take but a minute to secure action on the report. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The conference report will be read. The Secretary read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13708) providing for the relief of such populations in Europe, and countries contiguous thereto, outside of Germany, as may be determined upon by the President as necessary, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, and from the amendment amending the title of the bill, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following and transpose the same so that it will precede the word "as," in line 7, on page 1 of the bill: " : *Provided, however*, That Armenians, Syrians, Greeks, and other Christian and Jewish populations of Asia Minor, now or formerly subjects of Turkey, may be included within the populations to receive relief under this act"; and the Senate agree to the same.

THOMAS S. MARTIN,
LEE S. OVERMAN,
F. E. WARREN,

Managers on the part of the Senate.

SWAGAR SHERLEY,
JOHN J. EAGAN,
J. G. CANNON,

Managers on the part of the House.

Mr. TOWNSEND. Mr. President, I am not going to make opposition to the adoption of the conference report at this time, because I realize how futile it would be. The Senate has recently passed upon the measure by an overwhelming majority, and, inasmuch as the conference report does not change the attitude of the Senate taken a few days ago, I shall simply be content, so far as I am concerned, with voting against the adoption of the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

SALARIES OF JUDGES—CONFERENCE REPORT.

Mr. SMITH of Georgia. I present a conference report on House bill 12001, but I shall not ask action on it now.

Mr. SMOOT. What is the bill on which the Senator from Georgia presents a conference report?

Mr. SMITH of Georgia. It is the bill in reference to judicial salaries.

The VICE PRESIDENT. Without objection, the report will lie on the table and be printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 7.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 9, 10, 11, 12, 13, 14, and 15, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"Sec. 3. That the judges of the Supreme Court of the District of Columbia shall receive salaries the same as salaries provided by this act to be paid to judges of district courts of the

United States, and such salaries shall be paid as now provided by law.

"The judges of the Court of Appeals of the District of Columbia shall receive salaries the same as the salaries provided by this act to be paid to judges of the circuit court of appeals of the United States, and such salaries shall be paid as now provided by law."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"Sec. 5. That the judges of the United States Court of Customs Appeals shall receive salaries equal in amount to the salaries provided by this act to be paid judges of the Circuit Court of Appeals of the United States, payable monthly from the Treasury."

And the Senate agree to the same.

HOKE SMITH,
WILLIAM H. KING,
J. O. WOLCOTT,
FRANK B. BRANDEGEE,
LE BARON B. COLT,

Managers on the part of the Senate.

E. Y. WEBB,
C. C. CARLIN,
H. J. STEELE,
A. J. VOLSTEAD,
GEORGE S. GRAHAM,

Managers on the part of the House.

HOUSE BILL REFERRED.

H. R. 13026. An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines was read twice by its title and referred to the Committee on Appropriations.

VALIDATION OF WAR CONTRACTS.

The VICE PRESIDENT. The morning business is closed.

Mr. WADSWORTH. Mr. President—

Mr. CHAMBERLAIN. May I interrupt the Senator for a moment?

Mr. WADSWORTH. I yield.

Mr. CHAMBERLAIN. I simply ask that the unfinished business be laid before the Senate so that it may have its proper place.

Mr. WADSWORTH. Very well.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon that the Senate proceed to the consideration of the bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law.

The motion was agreed to.

AMERICAN EXPEDITIONARY FORCES (S. DOC. NO. 361).

Mr. WADSWORTH. Mr. President, the remarks which I ask the privilege of making this morning will not be in the form of a narrative of a journey. Such an attempt on my part would be undesirable, and, indeed, impossible. They will be rather in the form of a statement of the occurrences of first-class importance happening in France and of conditions existing there during the war and immediately following the armistice. My attempt to describe these conditions and occurrences is based in part upon some very well-known facts, known to all Senators, and also upon inquiry from and conversations with a large number of officers and enlisted men as well as civilians in that country.

It should be remembered, Mr. President, that this topic is so vast, the occurrences upon the other side of the ocean were of such tremendous scope, that no man upon earth can know all there is to be known about the war, or, indeed, even the last six months of the war.

I am fully aware, sir, that whatever knowledge I may have acquired by conversation and personal observation of events and conditions may be described as that little knowledge the possession of which is so often "a dangerous thing." I am fully conscious that my conclusions are not infallible, but I nevertheless beg to present some of them to the Senate in the hope that they may contribute some little bit to a better understanding of what has occurred.

November 11, 1918, will go down in history as one of the most significant dates of all times. It marks the final and abject surrender of the greatest military power the world has ever known. Had any person prophesied in April or May, 1918, that such a result would be brought about before the conclusion of the calendar year he would have

been scoffed at as the wildest of dreamers. Indeed, such a prophecy would have received no support from any of the military authorities of the allied nations. And yet the great result loomed into view, as it were, in a moment of time, in the twinkling of an eye, and before the world could realize the blessing that was coming to it it had arrived. Investigators, experts, savants had been telling us for at least two years that if Germany were to be conquered it would be through an industrial collapse within the German Empire. Most Americans and most of our allies believed this to be true and had grave doubts of being able to overcome the German Army in the field. Indeed, during all those glorious weeks, commencing in the midsummer of 1918 and running into the autumn, the prevailing public opinion was that the German Army, although it was being driven back, would undoubtedly intrench itself along the Rhine and defy for many months to come the allied offensive; and, furthermore, that that army would keep the field and maintain its defense until the industrial structure behind it, and upon which it was depending, collapsed. Those of us who entertained such a belief were mistaken. The victory was primarily a military victory, achieved upon the field of battle. Although it is true that the German industrial organization was weakened and was constantly losing strength, it was able, until the very end, to maintain the army in the field with supplies and munitions proportionate to the strength of that army. It was the army itself that was beaten, and its high command admitted the situation when it accepted the terms of the armistice submitted to it by Marshal Foch and his colleagues. A cursory examination of the terms furnishes the proof of this assertion.

The year 1917 witnessed some exceedingly important events. First was the revolution in Russia, resulting in the deposing of the Czar, the establishment of the so-called Kerensky government, and the beginning of the poisoning of the Russian Army and the Russian people with the virus of Bolshevism, which finally brought about the utter collapse and withdrawal from the conflict of that great power. The month of March in that year, 1917, marked in effect the withdrawal of Russia as an aggressive factor in the war. The other event of surpassing importance was the entry of the United States into the war on April 6, 1917. Our entrance had no immediate effect on the battle fields; we were unprepared and compelled to start in, practically de novo, to build up a great military organization—an undertaking which consumed many months and many millions of money. Italy stood fast on the Piave. The British and French, scarcely realizing the extent of the Russian disintegration then in progress, started an offensive in the spring. The French achieved but mediocre results, at great cost, followed by much discouragement. The British in Flanders were more successful, particularly at Vimy Ridge and Messines Ridge, and continued their offensive practically throughout the rest of the season. Their gains, while a little more successful in the neighborhood of Ypres and Paschendaele Ridge, were not decisive and were made at a staggering cost in casualties. The year 1917 closed with very little to the credit side of the allies. The end of the war was still far away. By the middle of the winter 1917-18 the Russian collapse became complete. That great Empire was destroyed by internal dissensions, its armies disbanded, a disgraceful peace with Germany signed soon thereafter, and the forces of civilization definitely and finally lost the services of 6,000,000 soldiers. This Russian collapse changed completely the whole picture. The German armies upon the Russian front were moved during the winter of 1918 to the west, to confront the British and the French. The weight of man power as between the two forces was definitely shifted to the German side. Commencing in early spring of 1918 there ensued a race between the Germans, on the one hand, attempting to crush the British and French armies, and the Americans, on the other, hastening to the succor of their gallant and hard-pressed allies. Can we ever forget the dark days following the great German offensive against the Fifth British Army in Picardy on March 21, 1918? It was launched in the direction of Amiens and was intended to split apart the British Army on the north and the French Army on the south. It came within an ace of succeeding. The Germans were finally held 9 miles from the city of Amiens, and even at that distance the main-line railway connecting the British area with the French area was under the fire of the German long-range guns. Can we ever forget the German offensive against the British in Flanders that followed on April 8, which recaptured most of the ground gained by the British in the neighborhood of Ypres in 1917, including Kemmel Hill, and which was aimed to drive the British Army back upon the channel ports? It was at this moment that Marshal Haig, like a true Briton, spoke the truth and told his soldiers they were fighting "with their backs to the wall." The German attack was brought to a standstill in the nick of time. Can we

ever forget the iron that entered into our souls on May 27, when the Germans smashed through the French line at the Chemin des Dames and reached the Marne at Chateau-Thierry on June 1, covering, Mr. President, nearly 30 miles in four days? Indeed, Mr. President, those three great offensives seemed to indicate that the German military machine was invincible. The British and the French had in each case managed to stop them, but only after a terrific struggle and with great losses.

No man can tell what might have occurred had our allies been left unsuccored. It may be that eventually they would have held their own. It is certain, however, that they would have been subjected to enormous strategic handicaps, that the war would have been prolonged indefinitely, and that the Germans would have made further inroads upon the garden soil of France. Could we get there in time to turn the tables? That was the one and only question in the hearts and minds of the allied peoples.

Let us consider for a moment how we got there and how long it took us to get there. We went into the war on April 6, 1917, as I have said, unprepared. We sent our First Division to France in June of that year, quite untrained and only partly equipped. It was followed by the Twenty-sixth Division, then by the Forty-second, and then by the Second Division. Through the autumn of 1917 and the winter of 1918 more divisions followed and an appropriate number of units to serve in the system of supply. During the winter of 1918 the First, Second, Twenty-sixth, and Forty-second Divisions, still in training areas and trenches in comparatively quiet sectors, attained a reasonable degree of efficiency, particularly the First Division, which landed first upon the shores of France. Other divisions, including the Thirty-second and the Third, following them, were in the training process and on the road toward efficiency. It takes a long time, Mr. President, to fit troops and the supply system back of them for participation in modern warfare.

I desire to place emphasis upon an important date in the year 1918, namely, May 28. Let it be remembered that prior to that date the German offensives of March 21 and April 8 had occurred; furthermore, that another, the third German offensive, had been launched with signal success on May 27, the day before. Let it be remembered—indeed, let it never be forgotten—that America on May 28 had been in the war, a belligerent, since April 6 of the year before, a period of 13 months and 3 weeks. Let it be remembered and understood that by that date, May 28, after 13 months and 3 weeks of American participation in the war, no American troops had taken part in any major engagement. Let it be understood that the great French and British public, comparatively uninformed as to the difficulties of arming a hitherto unarmed nation and transporting its armies thousands of miles, were commencing to despair of American assistance and wondering if Americans would ever get into the fight.

In painting this picture I am trying to portray the suspense, the doubt, and, indeed, the cost resulting from our unpreparedness. I attach no blame whatsoever to the leaders of the American Expeditionary Forces in France. They did their best, and they did it well, with the puny weapons placed at their disposal at the outset by this great Republic. On May 28 the First American Division launched an attack on a division front against the German lines at Cantigny, the first action of importance participated in by American troops. It was successful, eminently so. It came, as I have indicated before, the day following the launching of the third great German offensive. It was not important as a part of the strategy of the war, but it was of great importance in that it showed the hard-pressed British and French that American troops had at last arrived in the theater of active operations and that the American soldiers could fight as well as the best of them. And even the fame of this comparatively small operation was submerged somewhat by the tremendous events that were transpiring. A week later, however, another and more dramatic event cheered the souls of the British and French, when, on June 4, the American Second Division, including a brigade of marines acting as infantry, performed a vital service in repulsing the Germans at Chateau-Thierry in their drive toward Paris. The moral effect of these two actions, culminating in the dramatic repulse of the Germans at Chateau-Thierry, can not be overestimated. Its effect upon the British and French armies and peoples was enormous—America had arrived at last! Her men could fight, and did fight, with dash and punch. They were a revelation to the war-worn veterans who for four years had withstood the German onslaught. The services which these two divisions performed were proportionally much greater than their numerical strength and their actual fighting weight. Their arrival and their conduct upon the field of battle was a guaranty to our allies that the American troops that were even then pouring into France would eventually turn the scale.

Senators can well understand the feeling of a German soldier and the feeling, we will say, of a French or British soldier in a situation of this sort. The German soldier, as I shall indicate later on, never lost his morale during this war; he fought savagely until the end; but he all the time knew when he was fighting that the reinforcements which he could expect to reach him coming from the rear were dwindling day by day, and that the day would come when he could get no more help. The French soldier and the British soldier, on the other hand, fighting with equal bravery and with astounding tenacity, knew after June 4 that, no matter how long they fought, how much they suffered, reinforcements were coming to them from behind.

On July 15, east of Rheims, the Germans launched their last and one of their greatest offensives; and it was an offensive, Senators, that has never received the public notice to which it is entitled. Over a 25-mile front they attacked the French Army under Gen. Gouraud and against what was perhaps the most skillfully contrived defense of the whole war. I may say, in passing, that Gen. Gouraud ascertained but a few days before that attack was launched the exact minute that the Germans were going to attack, and he made his dispositions in such a manner that they resulted in the annihilation, almost, of an entire German army. He was assisted in the defense by a part of the Forty-second American Division, which occupied a small portion of the 25-mile front. The Germans suffered a complete and fearfully bloody repulse. On the Marne on the same day they took and for a few hours held some ground against the French and the American Third Division. The Third Division promptly counterattacked and drove the Germans back to the river, capturing a large number of them, and definitely crushed the attack. On July 18, three days after the repulse of the last German advance, with an ever-increasing number of American divisions, aggregating, as I remember, nine combat divisions, Marshal Foch launched his French armies and his American divisions against the sides of the famous Marne salient. The salient was crushed in, and from that time until November 11 not a day went by without witnessing a retreat by the German armies upon some portion of the far-flung line.

As the midsummer and autumn seasons progressed, hundreds of thousands of German soldiers were killed, wounded, captured, or exhausted. The organization of that army remained intact and its morale showed only slight signs of impairment; but its numbers were dwindling, likewise its capacity to endure. Driven, finally, to the point where its lateral lines of communication were cut, at Sedan on November 6 and Metzlers about the same date, its north and south wings separated, in a military sense, with its back against the forest of the Ardennes, through which it would have been impossible to escape the onslaughts of the allies, realizing that more and even heavier blows were to be rained upon it, and which, had they been delivered, would have brought about a great military debacle, the German military machine laid down its arms. It preferred to quit rather than sustain the overwhelming defeat. The German can be likened to the prize fighter who, seeing the knock-out blow coming from his more powerful and more skillful opponent—and I use the term "skillful" advisedly—lies down and takes the count. When this happened on November 11 of all the great German Army there were but two divisions in reserve rested up and fit to go into the line afresh. Marshal Foch possessed a large and ever-increasing reserve—American, French, and British, principally American. And I venture the opinion that had the war lasted two weeks longer we would have witnessed the launching of a terrific and overwhelming attack against another point in the German line which would have rolled up and captured great masses of their troops. Mr. President, I am as confident of that statement as I am that I am standing on this floor. The Germans undoubtedly knew this. They may or may not have known, too, that the British air squadrons were prepared to bomb Berlin within a week following November 11. Indeed, the Hun was beaten on the field of battle.

Let us now consider the part which the American Expeditionary Forces played in this great drama.

First of all there is the enlisted man, popularly known as the doughboy. One sees him everywhere in France. It was my privilege to see him, too, for only a few hours, it is true, in the occupied region of Germany. You will find him on nearly every road and lane, trudging along with his unit, driving a motor truck, running a motorcycle, and, when off duty, strolling about. You will find him living in the cellars of wrecked houses in that ghastly, devastated region, in captured German dugouts, in shacks and huts contrived for his shelter, and in comfortable billets in the billeting areas. He is unloading freight on the docks, handling electric cranes, switching railway cars, run-

ning locomotives, setting signals, tossing red-hot rivets in machine shops, running laundries, telephones, telegraphs, regulating traffic in crowded cities, digging, building bridges, railroads, and highways, guarding German prisoners—a rather satisfactory sight—gathering and piling up abandoned German shells and hand grenades—a rather ticklish job—and engaging in a thousand and one other occupations. I can not think of anything that the doughboy does not do. I am inclined to believe that there is one occupation he delights in above all others when he is off duty, and that is playing with little children. One can readily imagine how he has crept into the hearts of the civilian population of France through his gentle affection for the children of France—those little children who have suffered so much during this war.

Our soldier, Mr. President, is a home boy. He is very far from his own home. He is hungry for the atmosphere of home, and, that being so, he gets much happiness and consolation from chatting with the children in the French homes. To his officers he is a never-ending source of wonder. He astonished them by the avidity with which he sought to learn the business of war, by the ardor with which he went at his training, sometimes under wretchedly unfavorable circumstances. In chilly rain, drizzle, and mud—and outdoor France in wintertime is all mud—his desire to learn never slackened. Apparently his officers could not give him too much to do. He had come to France to lick the Germans. He suspected there were some people who doubted his ability to do so. He was determined to show them that he could—and he did. His officers were confident from the beginning of his courage, his intelligence, and his initiative. But he surprised them with the dashing quality of his courage, with his terrific punch. Well trained, half trained, or trained not at all, he showed that same supreme courage; and he surprised his officers most of all by his patience, a quality that is sorely tried under the miserable conditions that must attend war, but which our men managed to maintain through it all; and as a nation, Senators, Americans have not had a reputation for being patient. The American soldiers showed that quality to a superlative degree, and, most of all, sir, in the hospitals where the wounded lay—patience and cheerfulness; not a murmur, not a complaint; no sign of discouragement; nothing but cheerfulness. The regard in which he is held by his own leaders is reflected in the observations which on many occasions I heard falling from the lips of officers: "Don't give us the credit; don't compliment us. It is the enlisted man that did this job. He is the man, and he is a great man."

But the soldier, Mr. President, no matter how brave he is, no matter how strong he is, can not fight unless he is fed, armed, and transported. A great organization must be built up behind the soldier in the front line. And if that organization is not efficient, if it can not cause the soldiers, the rations, the equipment, and the ammunition to arrive at the right place at the required time the soldiers themselves are hopelessly handicapped. Not only are they handicapped but their very lives are in danger—the cause itself may be lost. In speaking of the organization back of the lines, I mean what is generally known as the staff. Good staff work brings victory and saves lives; bad staff work means defeat and death.

Mr. President, we have never had here in the United States a well organized and efficient Army staff. It has never existed here, save with the possible exception of the closing year of the Civil War under Gen. Grant, in the War Department nor elsewhere in the country. The public and the Congress have taken little interest in this subject. Many people have been inclined to the belief that staff work was a "soft job," sought after by officers who preferred to avoid the hardships of the front line. It is extremely unfortunate that this indifference and misunderstanding has existed. Indeed, in the days of peace, before we went into the war, a considerable body of Regular Army officers fought against the establishment of a genuine General Staff system for our Army. We went into the war without a staff system worthy of the name in its modern meaning. Bureaus and divisions were working at cross-purposes—there was no centralized control, no body of officers instructed and trained to put into force the policy of the Commander in Chief. Those of us who followed the inquiries of the Senate Committee on Military Affairs last winter remember well the chaotic condition which at times existed in the War Department, due not so much to the fault of individuals as to an utter lack of system, such a lack of system as we witnessed here in 1917, and which, if duplicated in France, would have made it utterly impossible for the American Expeditionary Force to have accomplished one-tenth of its task. Gen. Pershing realized from the beginning, as he indicates in his report to the Secretary of War under date of November 20, 1918, that he must build up a genuine staff in France. He and

his officers learned from the experience of the British and French in this regard. At the beginning of the great European war the British had but an indifferent staff organization. They learned from bitter experience the necessity of modernizing it. At the beginning of the war the French found themselves in possession of an excellently trained and highly competent general staff, and the possession of it saved the French Armies, and, upon one or two occasions, helped mightily to save the armies of her allies.

Let me cite an instance that will illustrate what I mean. It will be remembered that in the autumn of 1916 the Germans and Austrians struck a fearful blow at the Italians on the Isonzo River; that the Italians, taken by surprise, were outflanked, driven back, and lost very heavily in men and guns. It became apparent immediately that men and guns must be sent to Italy. Thereupon this incident took place—I have it from an officer well acquainted with the French staff work:

On a certain midnight—I do not know the date—immediately following the decision of the French high command to send an army to Italy a French general officer received a telephone order to the effect that he was to command the army to be formed and sent to Italy. That general officer spent the rest of the night and early morning hours in telephoning and summoning to his assistance the officers who were to compose his staff. By noon of the same day the first French division entrained for Italy. And then followed rapidly the entraining of division after division through the succeeding days. And when I say "division," I mean a complete division, equipped and supplied for fighting—infantry, artillery, machine gunners, motor transport, animal-drawn transport, including the horses and mules, rations, ambulances, medical supplies, field hospitals; in fact, everything needed for the business at hand. I am told, and I believe it to be true, that the van of this French army detrained back of the Italian lines and marched up to the rear of the Italian positions on the evening of the second day after their departure from France; furthermore, that the movement was completed in two weeks, and included the sending of half a dozen British divisions in addition to nine French divisions that were sent; that it took 30,000 railway cars to move those armies; and that the whole movement was conducted with the utmost smoothness and dispatch upon an instant's notice. The French staff system responded to the sudden emergency without the slipping of a cog. Indeed, it is highly probable that their staff officers months before had laid out the plans for just such a movement should it be required. It may be that that very efficiency in the French general staff saved Italy and saved the allied cause. The incident illustrates what I mean by staff work.

And so Gen. Pershing and his lieutenants started in June, 1917, to build up a staff system competent to assure the proper handling and management of the Expeditionary Force. The system was modeled largely upon the French system, with some valuable contributions from the British. It had to be planned and laid out on a scale sufficiently large to meet the needs of the American Army no matter how large that Army might become during the progress of the war. That is where we Americans had a tremendous advantage. We could lay out our installations and plan them upon a tremendous scale, because we could profit by the experience of the British, who had to build their installations piecemeal and had to scatter them in several small units. They were overtaken by an emergency about once a month, or once in two months, and had to meet it instantly, without much planning ahead. We had the advantage in that respect, for while the British and the French soldiers were holding off the Germans and our Army here in the United States was being trained our staff officers in France could lay out these enormous installations on a tremendous scale, allowing for indefinite expansion. Docks, storage depots, railway yards, intermediate depots and rail heads, hospitals, convalescent hospitals, replacement camps, repair shops for ordnance and motor trucks and every other mechanical device used by an army, freight-car assembling plants, locomotive-erecting shops, and railway repair shops. Rivers and harbors had to be dredged, additional double tracking of railroads had to be provided. In short, a great supply system had to be thought out sufficient to meet the needs of 2,000,000, 3,000,000, 4,000,000 men—men, mind you, who were to be employed in a vocation in which conservation of material is seldom practiced—employed, rather, at a business which involves ruthless consumption and destruction of material. The task required vision, conviction, and daring. To accomplish it required many, many months of unremitting effort, oftentimes with discouragement and disappointment attending those efforts. The supplies shipped from America being insufficient, in spite of their ever-increasing volume, the American Expeditionary

Forces were compelled to purchase, according to a plan agreed upon with the French and British purchasing authorities, actually more tons of material than were shipped from the United States up to the time of the signing of the armistice.

This gives some idea of the size of this undertaking. We are proud, of course, of the amount of cargo that we shipped from America. We purchased more than that amount in France and in neighboring neutral countries. Much of this work had to be well under way before a single American fighting man could be put in the front line. As it grew, as it approached completion, as it acquired efficiency, more and more combat troops were sent to the front, and as the number of troops increased and the system of supply, known in the Army as the S. O. S., expanded, the staff to handle the whole gigantic effort was slowly and painfully gathered together and trained. We had never planned for such an undertaking. None of our officers had ever handled large bodies of troops, and the centralized control had to be created, inspired, and educated.

The Army was short of several items of material and equipment. Some of the shortages were unavoidable; some, I believe, can be traced to the makeshift system, or lack of system, here at home. It is a matter of common knowledge—and the fact has been stated by Gen. Pershing—that the American Expeditionary Force had to rely almost entirely upon the French for its field artillery and, up to the last few moments of the war, for the shells to feed the guns. The same is true of aeroplanes. I need not go into a detailed discussion of that subject. It has been thrashed out here upon many occasions in the past. As an instance of our shortage in planes, however, I may state the fact that on the occasion of the American attack against the St. Mihiel salient, on September 12, of the 14 pursuit squadrons operating with our forces only 3 were all American; the rest were French. We borrowed hundreds of motor trucks from the French and British because we did not have enough of our own. On several occasions American combat divisions were transported from one point in the line to another in French motor-truck trains. No American-built tanks reached the battle front. The French supplied us with what tanks they could spare. Most of them were manned by our own personnel. With the exception of the machine guns in two or three divisions at the very end of the war, all the machine guns, light and heavy, were obtained from the French. I may say in passing that two or three divisions did secure an issue of the famous light Browning gun and that it gave excellent satisfaction. That was in the last 10 days or two weeks of the war.

One can not exaggerate the embarrassments and difficulties to which these shortages gave rise. Nor do I believe that it can be contended that the supplying of all this equipment did not strain the resources of our allies. And yet they supplied these things with a cheerfulness and alacrity which should and does elicit our highest praise and deepest gratitude. They knew, of course, that this equipment would be used in the common cause. They put aside all selfish considerations and gave us all they could spare, and perhaps a little more.

One shortage was, from time to time, very serious, and that was the shortage in forage and horses, particularly for the Artillery. Through some miscalculation, derangement, or change in plans the supply of forage for animals actually approached the vanishing point during last winter. Artillery horses had to be put on short rations. Short rations are not conducive to the staying powers or the long life of a horse. To meet the shortage in animals, which was so severe upon occasion that many batteries of Artillery were rendered almost incapable of moving, thousands of horses were purchased in France and 13,000 were supplied to us by the British during the last weeks of the contest in preparation for the Argonne offensive. It is quite possible, I realize, that this shortage in horses and forage was unavoidable. I do not know its cause. It may be that the scarcity of trans-Atlantic tonnage accounts for it. I venture this criticism, that the American Army, generally speaking, does not know how to take care of horses. The officers in charge of artillery and transport units did not receive sufficient instruction to enable them in turn to teach their men how to care for a horse. We teach our people at West Point and at our mounted service schools how to ride, but we do not teach them enough about the feeding, the grooming, the shoeing, and what might be called the coddling of a horse. The Artillery and transport horse in war time is put under a terrific strain; the irregular hours of work and feeding tend to upset him. He must be nursed and petted and coddled constantly or he will start to go downhill in condition. Once started downhill he fades rapidly, and it is exceedingly difficult to save him.

One has only to see the British horses in France to understand what can be accomplished. In traveling about one en-

counters upon the road from time to time long columns of British transport. The horses are fat, sleek, and with shining coats; they are well fed and well groomed. Proper grooming is a great restorative to a hard-worked horse. The leather of the British harness and saddles is well oiled and cleaned. It fits the horse. The vehicles themselves are in first-class condition, well painted, and with shining brass hub caps. The British transport never fails to get there with rations, ammunition, and shells. I gathered that our officers in France are properly envious of the British in this respect. I hope the lesson will never be forgotten and that the American Army horse of the future will be properly cared for.

But in spite of the shortages, Mr. President, to which I referred a few moments ago, the American Expeditionary Forces managed to go ahead with ever-increasing strength. A general staff system was slowly built up and reached a stage of development at which it was functioning with power and ever-increasing efficiency. Had the war continued another six months America would have displayed her real power. The S. O. S. would have reached approximate completion. The fact is that on November 11 we had just commenced to fight. I suspect the Germans knew this. We can be sure that they knew of the valor of our fighting men. They had good reason to know of it. It is quite probable that they knew something of the great docks at Bordeaux newly built, a mile long; of the storage depot near that port a mile wide and three miles long; of the freight-car assembling plant near La Rochelle, where a hundred freight cars were being turned out every day; of the locomotive erecting shops in the same neighborhood which turned out six locomotives every day; of the great pier at Montoir, up the river Loire from St. Nazaire—a pier 5,000 feet long, with berths for 12 ships, almost completed. The storage depot at Montoir as large as that at Bordeaux, completed and in full operation; the great intermediate depot at Gievres, 7 miles by 2 miles in extent, and the forestry companies which cut and sawed nearly 60,000,000 feet of lumber in the French forests. All these and a dozen more gigantic undertakings, just approaching completion, just reaching their full stride, were probably sensed by the Germans. One can easily understand their state of mind when they realized they were confronted with such a power.

Mr. President, I am glad that Gen. Pershing and his people had a free hand in France. I am glad that they were many, many miles away from Washington and comparatively free from its prejudices, jealousies, and out-of-date military traditions. They had their troubles; they made mistakes; their machinery was new and untried; they encountered handicaps of various kinds; but they were eager to profit by the experience of our allies, and they builded upon a broad foundation. But for the inevitable loss of life which would have ensued, I could wish that the staff and supply systems and our combat divisions, which upon November 11 were just commencing to reach their stride, had been permitted to operate against the Germans for another six months. And, Mr. President, I do not believe the Congress can legislate to the best advantage for the establishment of a permanent military policy for the United States, including the vital question of a general staff, until Gen. Pershing's people come home and tell us something of their experience. A general staff can not be created overnight. It takes months, yes, years, to create such an organization and to permeate the whole Army with its spirit and its purpose. I hope that every Member of the Senate and every Member of the House of Representatives will read Gen. Pershing's report, and when those men come home I hope that every Member will seek information from them, will learn of their successes and their failures, and that Congress and the public, and, indeed, the Army itself, having learned the lesson, will never forget it.

Mr. President, the development of the American Expeditionary Forces reached such a stage in the middle of the summer after the action at Chateau-Thierry, after the actions in the Marne salient and on the Vesle River, as to warrant Gen. Pershing in organizing the first American Field Army. He did that through the month of August, summoning to the sector in the neighborhood of St. Mihiel, the sector commonly known as the sector north of Toul, divisions which had been operating with French divisions or which up to that time had been in quiet trench training or in areas of training in the rear.

Most of the month of August was consumed in the organization of the first American Army. It attacked the St. Mihiel salient on September 12. The success of that attack is familiar to every Senator. Suffice it to say that it was completely successful. All the combat troops on the front line attack were American, with the exception of a few French troops at the point of the salient near the town of St. Mihiel itself. The French contributed for that attack a considerable body of artil-

lery with its personnel to supplement our artillery. We never had enough artillery all our own, but the French always managed to give us what we lacked, guns to be manned either by our men or by their own men.

The aerial mobilization accompanying the St. Mihiel salient was the largest in the history of the war. Something like 1,400 airplanes were mobilized for that offensive under the command, as I understand it, of an American aviation officer. A comparatively small proportion of those planes were American, of course. The British loaned several squadrons and the French many squadrons, as I have indicated, in the case of the pursuit squadrons.

The losses in that attack were, on the American side, comparatively small, something like 2,000 men. The plans worked perfectly; everything moved on time—indeed, a little ahead of time—and resulted in the capture of the entire salient in about one day and a half, or two days, and the capture of something like 15,000 German troops as well as a large amount of material.

Mr. FLETCHER. The Senator means that the total loss on the American side was about 2,000 men? He does not mean that with reference to the air squadron?

Mr. WADSWORTH. Oh, no.

Mr. FLETCHER. But the total loss?

Mr. WADSWORTH. The total casualties on the American side. I have no idea what the casualties in the air squadrons were.

I need not enlarge upon any description of that engagement. It was not as bitterly or as savagely fought by the Germans as the succeeding engagements or some of the preceding engagements. In fact, it seems to be generally understood that they were about to retire from that salient and were taken by surprise by the suddenness and power of our attack.

When that particular task was finished the Army took over, with increased numbers and with the organization of a second American field army, a front extending from the Meuse River, near the city of Verdun, westward to and through the forest of Argonne. On September 26 the great offensive up through the Argonne forest commenced. The first attack launched against the carefully prepared German position was eminently successful. The American troops forced their way through it, with the help of a tremendous artillery barrage in which the French artillery assisted the American artillery, but after crossing and overcoming the first prepared German line the American Army found itself face to face with the most difficult country in France. I had never supposed that such a wilderness existed in France. It is a series of jumbled hills of varying degrees of steepness and height, covered in large part by tangled undergrowth, which gives perfect opportunity for a defending force to secrete itself.

The German positions were not elaborately prepared systems of trenches as they were in the first line that was overrun. They were rather a series of defensive positions filled with machine-gun nests hidden under the bushes and tangled underbrush on the hills and on the hillsides and in little cuplike valleys. Artillery observation and aerial observation was exceedingly difficult, and the only way in which the American Army could force its way through that country was by constant pressure day and night, by a succession of small attacks and big attacks, endeavoring to filter in amongst the machine guns and surround them and overpower them.

It was an exceedingly difficult task, and made more so because there were only two roads leading into that region of a character to permit the transportation of any large amount of supplies. It was difficult upon occasion to reach the men in the front line with supplies. Owing to that lack of roads and the character of the country, it took five weeks to overcome some of those series of machine-gun nests and it cost many casualties—inevitably so.

But, Mr. President, it must never be forgotten that the Argonne offensive was part of a general scheme which was at the same time taking effect from Belgium to Lorraine, that the attack of the American Army up through the Argonne and up the country on the west side of the Meuse River was timed to have its best effect, taken together with the British attack in Picardy, which was going on at the same time, and the French pressure on the west of the Argonne forest on the American left flank.

Attacks were pushed by the British, mind you, from August 8, at which date Marshal Haig started his great offensive against the Germans. The British continued their attacks until November 11 without a day's cessation, and their casualties averaged 30,000 per week.

I venture the opinion that these attacks were pressed by the British, the French, and the Americans through the months of September and October as the result of a conviction which came

to the high command that Germany could be whipped within the year, a result which was not suspected in July; and when it did appear possible, and indeed highly probable, that the German Army could be driven back before the winter set in and its lines of communication cut, then indeed the savage attacks were kept up day after day without any cessation whatever. They were costly in casualties, Mr. President, but they ended the war and thereby saved, no man can tell, how many thousands of lives that would otherwise have been poured out this winter and next spring and summer.

Before discussing any other American activities it ought to be stated that the Argonne offensive, conducted by the Americans and assisted on their left by the French, although it is fair to say the Americans had by far the more difficult country to traverse, reached its culmination on November 6 when, with one last dash, the railway line which joined the German armies on the south in the neighborhood of Metz and the German armies on the north in Belgium and Flanders was cut at Sedan and at Mezières. When that line was cut the doom of the German Army was at hand.

American troops were active upon other sectors, and I beg leave to describe one of those operations, for, to be frank, I made a special examination of it.

In May and June of 1918 we sent 10 divisions of American troops to France to be trained back of the British lines in northern France and to be used if need be in reinforcing the British Army. But in August, when Gen. Pershing commenced to organize the first American field army for the St. Mihiel offensive, 8 of those 10 divisions were taken away from the British areas and sent down to the St. Mihiel area to form a part of the first American Army. The two American divisions that were left with the British served with the British during their entire service in France. They were the Twenty-seventh and Thirtieth Divisions, the first made up of the New York National Guard Division and the second the National York Division from Tennessee and North Carolina and South Carolina.

These men used the British rifle. They stored their own rifles and took the British rifle in order to simplify the problem of small-arms ammunition supply. It may be of interest to know that these men say that the British service rifle was entirely satisfactory. They lived entirely on British rations. Their wounded and sick were taken care of in British ambulances, British field hospitals, and British base hospitals, and their wounded were evacuated to England. In fact, those two divisions, in a sense, were an integral part of the British Army. They did not even have their own supply trains with them. Their artillery, too, had been sent to the St. Mihiel sector to operate with the American First Army and later with the American Second Army in Argonne.

Those two divisions consisted only of infantry, the machine gunners, the engineers, and the Signal Corps battalions, all, practically, foot soldiers. Everything was supplied by the British. They served for many weeks in Belgium in the trenches. It was they, Mr. President, who reoccupied Kemmel Hill. But in the middle of September they were moved down farther to the south. On September 29 they were thrown against the Hindenburg line.

I have attempted to describe something of the Argonne country; perhaps Senators will bear with me if I attempt to describe, inadequately, I fear, something of the nature of the defense which these two divisions found confronting them and which they attacked and captured. The Canal du Nord, which, if I remember correctly, connects the Oise River and the Scheldt, running approximately north and south, passes through the towns of St. Quentin and Cambrai. St. Quentin and Cambrai, Senators will remember, were towns situated upon or close to the famous Hindenburg line. Midway between those two towns the canal itself runs under a hill through a tunnel, which is approximately 3 miles long. The Hindenburg line in that sector was based upon that canal along most of the distance between St. Quentin and Cambrai. Its strongest point was the point where the canal pierced this hill and ran through this long tunnel. The Germans had established two immensely strong lines out in front of the hill pierced by the tunnel, and an immensely strong defensive position along the top of the hill pierced by the canal. From the tunnel itself they had cut long passageways, built in the form of stairways, at least 5 feet wide, at frequent intervals, which enabled their troops, taking refuge in this 3-mile tunnel, on a moment's notice, to climb the stairways and get into the trenches on top of the hill and in front of the hill. It was a vast maze of passageways. The tunnel was lighted with electricity, and the German troops had their kitchens there. Canal barges had been backed into the tunnel by the Germans, the German troops living in bunks built into the

barges. Each end of the tunnel was blocked by an enormously thick concrete wall, with slits in it for machine guns.

On September 29 the Twenty-seventh and Thirtieth Divisions of American troops were launched against that position. It required three days for them to overcome it. Their losses were very severe. Frankly, Senators, I do not see how men could have gone through such a position and come out alive. The achievement was astounding. I think it would seem so to any civilian after seeing that maze of trenches and underground passages, acres and acres of barbed wire, and the canal itself. The men were subjected to a fearful enfilading fire from their left flank as they pushed their way into this position. A British division assisted upon the right flank—a famous division, the Forty-sixth Highlanders. They crossed the open canal south of the tunnel. The American objectives were 3 kilometers away from their starting point, but they reached them on the first day.

Then ensued a terrific hand-to-hand contest to hold what they had taken. An Australian division was thrown in to help them, and the Australians and the Americans fought side by side there for two days. One battalion—the One hundred and seventh Infantry, which Senators may be interested in knowing is largely the old Seventh New York—was for two and a half days separated, far out in advance, having reached the objective assigned to them, and was reached by airplanes, which dropped cartridges and chocolate to the men. At the end of two and a half days support reached those men, and the action was complete.

Gen. Haig and Gen. Rawlinson, the British field army commander, showered compliments on those two divisions. They had achieved what I honestly believe to be one of the greatest achievements of this war. It shattered the strongest German defensive position in France, and resulted in the crumbling of that whole portion of the German line.

Whether it be in the Argonne or whether it be in Picardy, where this attack took place, or in Belgium, where we loaned two divisions—the Thirty-seventh and the Ninety-first—to assist the British and the Belgians on the River Scheldt, our men have done their duty, done it splendidly.

This brings me to a brief discussion of the replacement system. Senators will realize that replacements must be brought to the front, and the division units which have suffered casualties and wastage must be kept filled or they will lose their power. This was carried out upon a large scale by the American Expeditionary Force. The replacements did reach the divisions, but in a way that I think is susceptible of comment. When the American soldier was wounded and was sent back from the front line to a hospital in the American area he was treated and given good treatment. When he recovered he was sent to a replacement camp, and when fit for duty it was expected, of course, that he would resume a position in the fighting line. When, however, the man having thus been wounded was sent back to the hospital and eventually found himself in a replacement camp, and then was sent back to the front line, he was not sent back to his original company nor to his original regiment, nor, indeed, to his original division, but in many cases—in fact, in the majority of cases—he was sent to a strange division, a strange regiment, or a strange company. Mr. President, this caused many heartburnings. Nothing can be a more severe blow to a soldier than to separate him from the company with which he has fought, with which he has trained, and with the members of which he is thoroughly acquainted. I hope that when we further systematize and perfect our military system we shall work out a replacement system which shall be automatic as nearly as may be, but which shall, so far as possible, insure that when a man has dropped out of the line to have his injuries treated he shall go back to that same company and serve with the same men with whom he was serving when he was wounded.

Mr. WEEKS. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Massachusetts.

Mr. WEEKS. The statement which the Senator from New York has just made is one of great importance, in my opinion, in the organization of an army. I have been somewhat familiar with it, and I have wondered why the present policy has been adopted and followed. I should like to ask the Senator if he knows the theory on which it was done? I suppose there must have been some reason for it.

Mr. WADSWORTH. Mr. President, I can only give the opinion of an amateur. I think we got off on the wrong foot in this replacement effort. It started in this country. I remind the Senator from Massachusetts that, as our divisions were formed in cantonments in this country during the autumn of 1917 and the winter of 1917-18, men were taken out of divisions when they were on the point of reaching a stage where

they had esprit and morale, sent off on special duty, and definitely separated from their divisions. The result was that when most of our divisions were ready to sail for France they were far below war strength and were hastily filled up with new men and strange men on the eve of sailing.

Mr. NELSON. Mr. President, will the Senator allow me to interrupt him?

Mr. WADSWORTH. I am about to complete just one phase of the explanation.

Mr. NELSON. Very well.

Mr. WADSWORTH. The Seventy-seventh Division, before it left Camp Upton for France, received 9,000 new, strange men two weeks before its departure. They came from Camp Devens. The replacement system should have had its basis in this country; the combat divisions that were sent across should have been reinforced by a constant stream of trained replacements from this country; and, so far as possible, a soldier drafted from the State of New York should have been sent to a New York division, and, so far as possible, a soldier drafted from Minnesota should have been sent to a division recruited and organized from Minnesota and adjoining States; for there is nothing more valuable in warfare than that esprit and morale which attends the perpetuation of a military unit and its recruitment from a certain locality, if that can be accomplished.

Mr. NELSON. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Minnesota.

Mr. NELSON. I entirely agree with the Senator, and I rose simply to state what occurred in one of our very best Minnesota regiments, the First Regiment of the Minnesota National Guard. They had been training for a long time, but the regiment was all broken up by taking out what were called "replacement troops" and sending them to France. In this way the regiment was entirely demoralized and broken up, and the men who were left here and those who were sent abroad to make replacements were demoralized and discouraged.

Mr. WADSWORTH. There is no question, Mr. President, as to the effect of that kind of thing upon the morale of the enlisted man. I have known of men sent back to the front line to join and serve in strange divisions, in strange companies, who deserted those companies and tramped the roads of France to get back to their old company and fight with it. Sometimes I believe that the higher ranking officers of our Military Establishment are inclined to handle soldiers as automatons, and do not understand some of the human equations which enter into a soldier's life. The heartache that that kind of thing causes can not be described adequately.

To our Regular Army prior to this war no such problem presented itself. Our Regular regiments are recruited from all over the country; they have no local attachment; they have no local pride back of them. As they enlist and are assigned to companies, they do not know their neighbors in the ranks, never have heard of them before, and when they leave that company they never hear of them again, and they do not care much. A Regular regiment in our Army does not know what that kind of spirit and morale means. They are merely numbered serially. I have always believed that one of the handicaps that the Regular Army has had to contend with was the fact that no portion of America has the slightest interest in any unit of the Regular Army. The name "Thirteenth Infantry" or "Fifteenth Cavalry" or "Sixteenth Field Artillery" does not mean anything. It is just a serial number given to a group of men who have been gathered and thrown together and welded into a regiment without any distinguishing character.

Note how the British do it, Mr. President. So far as they could they operated their replacement system so that a soldier who volunteered from the county of Suffolk, in England, joined a Suffolk battalion in France, where he would have some friends. Battalion after battalion was organized in the British Army, as it grew from a small regular establishment up to a great force of 4,000,000 men, upon that basis and upon that theory. The Worcesters, the Norfolks, the Northampton, the Sussex, the Irish, the Welsh, the Scotch all were recruited, so far as possible, from certain counties or regions, and replaced, so far as possible, from those same regions. The result is that the Suffolks had great pride in their own organization, and tried to outdo and out rival the Sussex battalions. The Scotch, all serving together, rival the Welsh, and the Connaught Rangers, from Ireland, had the same kind of friendly rivalry and spirit and morale. Such a system, Mr. President, makes better soldiers. To have that kind of feeling in a military unit is a great military asset.

Mr. NEW. Mr. President—

The PRESIDING OFFICER (Mr. FLETCHER in the chair). Does the Senator from New York yield to the Senator from Indiana?

Mr. WADSWORTH. I yield to the Senator from Indiana.

Mr. NEW. Mr. President, I should like to remind the Senator from New York that at the time the creation of our Army was under consideration this very point was dwelt upon at length in the Committee on Military Affairs. It was very strongly urged there that the system of replacement suggested by the Senator be followed out, that troops be brigaded together and put in divisions with reference to localities and all that; but the advice was evidently disregarded by the high military authorities.

Mr. WADSWORTH. It is fair to say, Mr. President, that upon making inquiry upon that point from many officers, some of whom deplored the failure to carry out the plan to which the Senator has just referred, and some of whom defended the plan that was being followed, it was asserted that our whole preparation for this war, occurring as it did after we got into the war, had to be so hasty and the Army had to be thrown together and trained so quickly that there was no time to work out a scientific replacement system, and that men had to be treated as automatons; a soldier was merely a soldier and must be sent anywhere and put into any company, no matter whether he knew anybody in that company or not, or taken out of one company and sent 300 miles away and put in some other company. That applied to officers as well as to enlisted men.

Mr. HENDERSON. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Nevada.

Mr. HENDERSON. I see how the plan just suggested by the Senator from Indiana [Mr. New] could be carried out; but after your units are formed and get into action and a soldier is wounded, does the Senator mean that you should hold that position for him until he has recovered and then return him to that place?

Mr. WADSWORTH. Not at all; not at all. Experience will show that no military unit can ever be kept up to full war strength while it is fighting, while it is in the field. There is always room, and always will be room, for more men in it, up to the authorized maximum strength. At the time of the signing of the armistice you could not find a company or a division or a regiment of ours in France that did not have room for more men. My contention is that if we ever have to repeat this great effort we should try to have that replacement system operate so that those places could be filled by the men who served in that company up to the time that they were wounded, or filled by men who come from the same locality at home.

Mr. HENDERSON. If they are there.

Mr. WADSWORTH. If they are available. I would not lose a battle waiting for them.

Mr. HENDERSON. I can see where it would be impossible to put anyone in place who might be acquainted with those in that company, so that in some cases it would be an absolute impossibility to carry out that plan.

Mr. WADSWORTH. You can not regulate that by rule of thumb. You can not wage war by rule of thumb. Some people have tried it, and it always results in defeat. But the thing with which I do disagree is the contention made by a great many Regular Army officers that locality pride in a military unit is of no value; and I have argued it with them hour after hour. They insist that a regiment that is recruited without any regard to the prior acquaintance of the enlisted men, without any regard to the localities from which they come, without any pride of locality in addition to their pride as Americans, is just as good as a regiment made up of men who know each other, and who fight side by side, each knowing that the other will take care of him if he is hurt, and write back to his mother.

Mr. HENDERSON. On the same principle as college pride and State pride—along that line?

Mr. WADSWORTH. Absolutely. That is where I differ with some of the people in the War Department and people in the American Expeditionary Forces. They deny that there is any advantage in that. I claim that all human experience proves that there is advantage in it, and that every other army tries its best to carry out that same system. I think it should be applied to our Army if it ever should repeat the undertaking of 1918.

Mr. McKELLAR. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Tennessee.

Mr. McKELLAR. I take it that the Senator does not agree that the order of Gen. Ansell, virtually mustering out the National Guard or doing away with the National Guard is a proper order. Is that correct?

Mr. WADSWORTH. To tell the truth, I have not seen the order. I know nothing about it.

Mr. McKELLAR. The order simply provides that the National Guards shall not go back as organizations to the States from which they come, but that they shall be mustered out absolutely, and if there is to be a National Guard the various States will have to organize National Guards in the future.

Mr. WADSWORTH. I see. My remarks did not have reference alone to National Guard units in France. They apply just as much to the so-called draft divisions as they do to the National Guard divisions. There is no difference in principle involved.

Mr. McKELLAR. I want to say that I agree with the Senator entirely. The Senator recalls that we had identical views on that subject when the matter was before the Military Affairs Committee. We both contended for that at the time, as I recall; and I agree with the Senator absolutely on the proposition.

Mr. WADSWORTH. Senators may remember that I have always been an earnest advocate of universal military training. I believe that we shall have to have it before we ever get a genuine military policy in the United States, so as to be provided with an army that can respond to any emergency—that together with a General Staff. If we are to have a system of universal military training, I hope it will be so arranged that the men selected for that training at a certain age shall be trained in areas marked out geographically, and that when they have finished their training they shall be organized into regiments and divisions whose headquarters for administrative purposes shall be each in a given locality, and that those regiments shall be known as belonging to or coming from those localities, such as a State, or a group of small States if the State by itself is not large enough to supply a complete unit; that they shall be completely federalized; that they shall be under the orders of the Federal Government; but that, in addition to their pride as Americans, in addition to their spirit and their patriotism as Americans, they shall have the added benefit of locality support and locality pride; and in that connection I call the attention of the Senate to a statement made a few days ago by Maj. Gen. O'Ryan, of the Twenty-seventh Division, the New York Guard division. In explanation of the statement let me say that that division to which I have already referred, and also the Thirtieth Division, received scarcely any replacements during those terrific battles. They went into those fights as the New York Division and as the Tennessee-Carolina Division, respectively. They came out of those fights remnants, it is true, of the New York Division and of the Tennessee-Carolina Division. Gen. O'Ryan states that, in his judgment, had not his units possessed that locality pride in addition to their American pride and patriotism, that sympathetic touch of elbow, that teamwork that comes from long acquaintance between men in the ranks who come from the same town or the same street in a great city, they could not have performed the task assigned to them. He counts it, as I think a very large number of military men count it, a vast military asset; and it is a fact which can not be contradicted that the violation of that principle, and the consequent treatment of soldiers whom I have already described this morning as "home boys" as mere automatons who can be put into any division, any regiment, any company, anywhere, is a violation of the humanities and injures the efficiency of the soldier; and when it does that it injures the efficiency of the unit in which he serves.

Mr. President, the great contest is over. We did our full share at the end. My observations upon this point are in retrospect, in a sense, and are given for what they are worth when the Senate comes to the consideration of military legislation which eventually must reach the statute books.

I want to mention one other topic, and that is the effect of the order of November 11 upon the American Expeditionary Force.

Senators will remember that an order was issued, immediately upon the signing of the armistice, forbidding all promotions from that time on. I never have been able to find out the reason for the order. It may have very good reasons back of it. I know something of its effect upon the spirits of the men. It was most regrettable. It had a very profound effect. Many a lieutenant, Mr. President, was commanding a battalion in the Argonne Forest, had commanded troops in action for days and days, his own captain and major having been killed or wounded. He was entitled to some recognition. But it was impossible for his commanding officer to make out the required papers in the heat of action, with men scrambling through that wilderness, fighting day and night. That had to be postponed until the regiment or the unit could settle down somewhere in a quiet place and give the commanding officer a chance to catch up with his paper work and send in his recommendations. Scores and scores of those young men shouldered and carried responsibilities higher than those of the grade which they occupied. In scores and scores of cases their commanding officer had prepared the papers recommending them for promotion. They could not be gotten in by November 11. On November 11 comes the order saying that no one shall be promoted, and all the machinery of promotion was stopped.

Mr. WEEKS. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Massachusetts.

Mr. WEEKS. I agree with the Senator from New York as to the harmful effects of that order. On yesterday the Chief of Staff was before the Military Affairs Committee to testify in regard to a bill which had been introduced commissioning the men who had been recommended before the 11th of November, and the explanation which he made to the committee was that these promotions were not made because there were no vacancies; that the Army, its size, its officers, and everything relating to it, was fixed by an act of Congress; and that it was not within the power of the War Department to make promotions unless there were vacancies.

Now, I do not undertake to say whether there were or were not vacancies in some particular organization, but I think that would be a technical objection to making the promotions. Do not understand, however, that it would move me in being opposed to legislation which would enable those men to receive the promotions which they had earned, and which I think could be done without any very great difficulty.

Mr. WADSWORTH. I regret that I was not at the hearing referred to by the Senator from Massachusetts. I was tremendously surprised to learn that there were no vacancies in the commissioned personnel of the Army. It seems to me that there must be some vacancies. It is inevitable that with such an enormous organization there shall be vacancies in the commissioned personnel. I am not contending that all the officers recommended for promotion by their respective commanding officers should receive promotion, but I do think it was a mistake to stop all the machinery of promotion—to say that no one shall be promoted. The effect was to discourage and disappoint men. They thought, "We have no more chance. It is gone. The war is over. We went in as first lieutenants. We did our work. Our captain was wounded. We commanded the company. Our major was wounded. We commanded the battalion. Now our Government says that we shall never be anything but first lieutenants"—unless, indeed, it is contemplated that when that young man is mustered out, many months from now, he shall be mustered out with an advanced rank. The sweetness will be largely lacking, Mr. President, in that kind of promotion.

Mr. McKELLAR and Mr. CHAMBERLAIN addressed the Chair.

Mr. WADSWORTH. I yield to the Senator from Tennessee.

Mr. McKELLAR. In further explanation of what took place yesterday—does it inconvenience the Senator to be interrupted?

Mr. WADSWORTH. Not at all. I desire to conclude very soon, however.

Mr. McKELLAR. I shall be very brief. I want to say that I thoroughly concur with the views which the Senator has just expressed. I have a bill which virtually does away with the order of November 11, 1918, and it was about this bill that the Chief of Staff testified yesterday. He testified as the Senator from Massachusetts has stated, but in addition he said that it was expected to promote these men on the reserve list. The question which I wish to propound to the Senator, in view of what he has seen and heard over there, and his knowledge of the facts as they exist among the officers, is this: Does he think that promoting men on a reserve list will have the effect of properly promoting these men who have earned their promotions?

Mr. WADSWORTH. It is hard to estimate, of course, the comparative value of the two promotions that we are discussing. Of course, the longer it is postponed, the less it means to the man. There is nothing that so delights an officer's heart, nothing that so delights the hearts of the men who have served under him, as recognition, if possible, upon the field of battle, or as soon thereafter as possible. The longer it is postponed the less it means.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator?

Mr. WADSWORTH. Certainly.

Mr. CHAMBERLAIN. In addition to what the Senator from Massachusetts has said about the hearing before the committee yesterday, I call the Senator's attention to page 2107 of the CONGRESSIONAL RECORD of yesterday, where there appears a letter from the Secretary of War on exactly the same subject, and giving the reasons for the course that was pursued. I am frank to say that after having read that letter, and after having heard Gen. March's testimony at considerable length, my views were changed as to the power of the War Department; and I think to promote these men to the rank for which they have been recommended will just promote a number of officers to vacancies where there is no place for them to go.

Mr. WADSWORTH. I have not contended for that. I have not contended for the promotion of all these men. The only criticism I have had to make is that all the machinery for promotion is arbitrarily stopped, and no one can be promoted, whereas there must be vacancies, and there always will be

some. It is the blanket character of the order that created the discouragement and the dismay. If an order had been sent out to the effect that no promotions should be made except to fill vacancies, the Army would have understood it; but, as I understand it, the order went out saying, "There shall be no promotions anywhere."

Mr. McKELLAR. They were all stopped.

Mr. WADSWORTH. Yes.

Mr. WEEKS. Mr. President, I wish to add just one word to what the Senator from Oregon has said. I think he is right in the conclusion which he has reached. I believe we owe it to these men, who have performed conspicuous service, to see that in some way they shall receive the rewards for which they have been recommended, and, as the Senator from New York has very justly said, the sooner that is done the better. Any delay means taking away something from the value of the reward which is given.

Mr. WADSWORTH. Mr. President, I was about to conclude my remarks. I regret that I have kept the Senate so long. One can not help but admire the achievement that is recorded in France by the American Expeditionary Force. Of course, from time to time criticism will be leveled against some of the things they did or failed to do, but the balance is distinctly upon the credit side of the ledger. The task which confronted them was enormous.

My words here this morning have not commenced to describe—I doubt if any one man knows enough about it or has the power of language adequate to describe—the scenes and the conditions through which that Expeditionary Force operated. Those devastated regions, those ghostly cities of the dead, town after town, village after village, hamlet after hamlet, farmhouse after farmhouse, all in utter, hopeless ruin. Our people had to traverse that, to live in that atmosphere, to encounter all kinds of hard conditions. So did the British; so did the French. One can understand, let me say in passing, something of the feeling of the French people when one has seen the devastated regions in France. Dozens and dozens of magazine articles have been written about it, hundreds of speeches have been delivered about it, and thousands of dispatches have come over the wires describing it, and each and every one of them is inadequate. No spoken word or written word can commence to describe that condition. When one can go along a road in France, reach a fork in the road in the center of some little wrecked town, and stop a French soldier and ask him the way to the next town and have him tell you that he lives in that very neighborhood and can not find his own way home, then one may understand the extent of that wreckage. When one may be taken to the battle field of Verdun and conducted to a ridge near Fort de Souville and have a French officer ask one, "Would you like to see the village of Fleury," and when one replies, "Yes; where is it?" and he says, "You are standing in the middle of it," then one may have some comprehension of what France has suffered. Not a single brick of that village left; all ground to powder, returned to the earth from which they came. Tortured earth, shattered rock, not a tree, not a bush, not a weed, a tumultuous sea of upturned earth and rubbish.

The world will never know what this means to France, for every piece of property that was destroyed in that vast area belonged to some little French family. The French are a home-owning people. Every bit of that ground is owned by some French family, if that family is surviving, some one has title to it, and to see them going back to those regions, those refugees actually trying to find where they used to live, is enough to break one's heart.

Such is only a part of the picture of the crime that Germany inflicted upon France and upon civilization—a war deliberately planned, a war with the deliberate purpose of destroying not only the French soldiers and the British soldiers and lately the American soldiers but every atom of French property that could be destroyed in such a way as to handicap and cripple the French nation for generations to come. They took the machinery out of the factories or destroyed it in order to prevent Belgians and French from being their rivals again in commercial pursuits. That is why they shelled towns after they retired from those towns and when there was nothing left in them but civilians. That is why they poured gas shells into the little village of Bohain, from which they had retired and which contained 700 civilians and no allied troops, and choked to death women and children. That was done in 1918 within six weeks of the signing of the armistice. That is why they would cunningly hide under the carpet in a poor woman's kitchen a detonating fuse taken from a 5.9 shell, hide it under the carpet in a little crack in the floor, and leave it there for her to strike some day by accident and suffer mutilation. This was done

in many instances. They put hand grenades under the bodies of their own dead, so that when a British soldier came along and lifted up the dead German to bury him he would be blown to atoms.

When we come to discuss terms of peace, Senators, when we come to discuss the treatment that is to be accorded to the German people, and these things were done by German people, if we are wise, we will take into consideration the feelings of the French people and the Belgian people. Since the days of Julius Cæsar France has stood in dread of the hordes of barbarians that have poured from time to time out of the northern forests. Since the days of Julius Cæsar scarcely a century has gone by but what she has been called upon to repulse those Teutonic hordes. All she wants is security. She wants something to be brought about in these peace terms that will make it impossible for the German hordes to repeat this tragedy, and that is all.

The German people to-day—I believe it as I know that I am standing on this floor—have no conception of the feelings of other nations toward them. They have no feeling of humiliation or remorse, not one bit. They are sorry that they have lost the war, but their ideals are purely materialistic. There is no tribulation of the spirit.

I rejoice that we sent over there 2,000,000 men, who, hastily trained and hastily organized as they were, contributed to this great victory. We helped win this war; all four of the great nations won it together.

Mr. CHAMBERLAIN. May I interrupt the Senator?

The PRESIDING OFFICER (Mr. KERRY in the chair). Does the Senator from New York yield to the Senator from Oregon?

Mr. WADSWORTH. I yield.

Mr. CHAMBERLAIN. Speaking of the Germans, the Senator has said that their ideals have not changed, that they regret having lost the war, and only feel humiliated that they have lost it. Does the Senator think that they have been so whipped that it will be unnecessary to maintain a force there in order to hold them in order and eventually to humiliate them, if that time comes?

Mr. WADSWORTH. My own opinion is, and I remind the Senator it is only my opinion, that Germany in a military sense is absolutely prostrate to-day; that she can not possibly renew the war. Her whole fleet is gone, a large proportion of the rolling stock of the railways, a large proportion of the airplanes, a large proportion of her guns, a large proportion of her motor trucks. She could not move an army qualified to compete with either the French, British, or American armies as they stood on November 11. She is prostrate in a military sense.

It depends, Mr. President, upon the conditions contained in the terms of peace how soon Germany can recover in a military sense. I do not know what those terms will be; I think none of us know; but I am somewhat dismayed that the Germans themselves exhibit no sign of sorrow or remorse or humiliation, that they still continue to view this whole matter from the most materialistic viewpoint. They made a bid for world power and they used every weapon, no matter how savage it was, to get it, and having failed to get it they regret the failure, but not the use of the weapons. And unless a great change comes over the heart and soul of German people, if they are led again as they were led in 1914, to start another war, I believe they would wage it in exactly the same way.

Mr. McLEAN. Does the Senator think that the change in their form of government will make any difference in the military ambitions of the German people?

Mr. WADSWORTH. I am not convinced of that.

Mr. KING. Will the Senator permit one question along the line indicated by the Senators who have just interrogated him?

In view of the unsettled condition of Germany and of the mental attitude of the people, their lack of appreciation of the enormity of their crime, their materialistic point of view, does not the Senator think it becomes imperative for a considerable length of time that the allies shall keep in Germany, around and about Germany, a large number of troops to police, to enforce the guaranties and exactions that will find place in the peace treaty?

Mr. WADSWORTH. The question of the Senator is very difficult to answer, because the answer has to be conditioned upon so many events that are yet to happen, most important of which are the terms of peace itself. The question might be answered with a reasonable degree of accuracy if we knew now what the terms of peace will be. In any event, the terms of peace must see to it that the crime of 1914 shall not be and can not be repeated by Germany or any of her allies.

I rose in the first place, Mr. President, to state in an inadequate way my admiration for the way in which the American Expeditionary Force was handled. As Senators who have taken an interest in this matter, who have worked at this end of the

line as hard as we could to support and help them, and as Americans, I know we are proud, as we ought to be proud, of that splendid force and the achievements that they have placed upon the record of American history.

Mr. NEW. Mr. President, I have had it in mind to submit some ideas and suggestions of my own concerning the reorganization of the Army. The address which has just been delivered by the Senator from New York [Mr. WADSWORTH], to which we have all listened with such interest and so much benefit, has made the subject particularly opportune, and I should like, under ordinary circumstances, to proceed with my remarks at this time. But, Mr. President, the hour of 2 o'clock having arrived, I realize that there is before the Senate a bill of transcendent importance, as I regard it, and I am not willing to interpose anything that will interfere with the immediate consideration of that measure.

I therefore content myself at this time by saying that at the earliest opportunity I shall ask for the privilege of presenting the remarks, and in connection therewith I shall submit a bill.

LEAGUE OF NATIONS.

Mr. POLLOCK. Mr. President, I have listened with a great deal of interest to the narrative of the war by the Senator from New York [Mr. WADSWORTH]. It is as he states, largely in retrospect. I merely rise to give notice that on to-morrow, immediately after the morning business, I shall endeavor to submit a few remarks looking to the future and as to what should be the course of this Government with reference to the creation of a league of nations for the maintenance of the peace of the world.

CALLING OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Bankhead	Hitchcock	Nelson	Smoot
Beckham	Johnson, S. Dak.	New	Spencer
Borah	Jones, N. Mex.	Nugent	Sterling
Calder	Kellogg	Overman	Sutherland
Chamberlain	Kenyon	Page	Thomas
Culberson	King	Pittman	Thompson
Cummins	Kirby	Polindexter	Townsend
Curtis	Knox	Pollock	Trammell
Fletcher	La Follette	Pomeroy	Vardaman
France	Lenroot	Ransdell	Walsh
Frelinghuysen	McKellar	Reed	Warren
Gay	McLean	Saulsbury	Weeks
Gore	McNary	Shafroth	Wolcott
Gronna	Martin, Ky.	Sheppard	
Hale	Moses	Sherman	
Henderson	Myers	Smith, Ariz.	

Mr. POLLOCK. I wish to announce that my colleague, the senior Senator from South Carolina [Mr. SMITH], is detained by illness.

Mr. SAULSBURY. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is detained by illness.

Mr. KENYON. I wish to announce that the Senator from Nebraska [Mr. NORRIS] is absent on official business.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GORE], is absent on account of illness.

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, there is a quorum present.

VALIDATION OF WAR CONTRACTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law.

Mr. HENDERSON. Mr. President, on January 20 I sent to the desk an amendment to House bill 13274. Yesterday the Senator from Nebraska [Mr. HITCHCOCK] introduced that amendment to the bill. In order to protect my amendment, I submit an amendment to the amendment of the Senator from Nebraska and also one to what is known as the Chamberlain bill, so as to perfect the proposed amendment that I had printed the other day.

The PRESIDING OFFICER. The amendments will be ordered printed and lie on the table.

Mr. CHAMBERLAIN. I think it would be proper to take up the bill as reported by the committee and have it read for the purpose of amendment. The bill has not yet been read, and I suggest that it be read for the purpose of amendment.

The PRESIDING OFFICER. The Secretary will read the substitute bill.

The Secretary read the amendment of the Committee on Military Affairs, which was to strike out all after the enacting clause of the bill and in lieu to insert:

That whenever during the war emergency and prior to November 12, 1918, any individual, firm, company, corporation or foreign government has made an agreement with the Secretary of War, or with any officer or agent acting under his authority, or with any agency of the Government authorized to procure or aid in procuring the same for the War Department, for the production, manufacture, sale, acquisition, or control of equipment, materials, or supplies, or for services, or for facilities, or other purposes connected with the prosecution of the war, and such agreement was reduced to the form of a contract or accepted procurement order and executed or signed on behalf of the Government, but the agreement did not comply with statutory requirements, in every such case the Secretary of War is authorized and directed to waive, on behalf of the Government, such noncompliance: *Provided*, That he finds such waiver is not inconsistent with the public interest, and in this event the said agreement shall have the same validity and effect it would have had if such statutory requirement had been complied with.

That whenever, prior to said November 12, 1918, any individual, firm, company, corporation, or foreign Government has made any agreement, oral or written, express or implied, with, or has received any order or request, oral or written, from, the Secretary of War, or any officer, agent, or agency as aforesaid, for any of the purposes aforesaid, and the same has not been reduced to contract form, but such individual, firm, company, corporation, or foreign Government has in good faith made expenditures, incurred obligations, acquired or furnished facilities, equipment, materials, or supplies, or rendered services, in reliance on such agreement, order, or request, in every such case, the Secretary of War is authorized and directed, on behalf of the Government, to enter into such contract with such individual, firm, company, corporation, or foreign Government as will, under all the circumstances, fairly and equitably compensate him or it for the expenditures made, obligations incurred, equipment, materials, or supplies furnished or acquired, or services rendered, as aforesaid: *Provided*, That in no event shall such contract provide for compensation on terms more favorable than the terms, if any, for which the aforesaid agreement, order, or request may have provided.

That whenever, prior to said November 12, 1918, the War Department, through its officers or agents, has taken possession of any land, or whenever the holder or owner of any land has removed from or removed any improvements from such land at the order or request of the War Department and no valid contract has been made with respect thereto, then the Secretary of War, if he finds that the public interest does not require the possession or occupancy of such land by the Government, is authorized to make compensation to the owner or holder thereof for the fair value of such improvements so removed and the expense incurred by such owner in removing therefrom or for the fair value of the use of such land of which the War Department has taken actual possession and for any expense or loss incurred by the owner or holder by reason of such possession.

SEC. 2. That a commission is hereby created and established, to be known as the War Contracts Appeals Commission (hereinafter referred to as the commission), which shall be composed of three members, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall continue in office for one year from the date of this act. One member of the commission shall represent the War Department, one member shall represent the Department of Justice, and one member shall represent the business interests of the country. None of the members of the commission shall be interested in any order, contract, or agreement within the purview of this act or have any interest in any firm or corporation having such orders, contracts, or agreements. Each member of the commission shall receive a salary of \$7,500 a year, payable in the same manner as the salaries of judges of the courts of the United States. The commission shall choose a chairman from its own membership and may appoint a secretary, who shall receive a salary not exceeding \$5,000 a year, to be determined by the commission and payable in the same manner as the salaries of the members of the commission.

That there is hereby appropriated, for the purpose of defraying the reasonable expenses of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated, available immediately and until expended, the sum of \$50,000.

That within 30 days of the date when the Secretary of War tenders any contract or compensation as provided in this act, or refuses to tender such contract or compensation, the party to whom said contract or compensation is tendered or refused, or the Government by a duly authorized officer from the Department of Justice may file with the chairman of the commission a notice of appeal: *Provided, however*, That if the representative of the Department of Justice agrees with the action of the War Department there shall be no appeal by the Government, but settlement can be made at once. Thereupon, the commission shall proceed to examine and review the facts and circumstances of the case and make its award or finding thereon. Upon giving receipt in full of all demands against the United States arising out of the transaction by reason of which the award is made, the appellant shall be entitled to receive the amount of any award so made, and the proper officer of the United States is hereby authorized and directed to pay the same, but if the appellant is dissatisfied with the amount so awarded he shall be paid 75 per cent of the amount awarded and shall be entitled to sue the United States in the Court of Claims to recover such further sum as added to said 75 per cent shall make up such amount as will be fair and just compensation as provided in this act, and the Court of Claims is hereby given jurisdiction to hear said suit and render judgment thereon.

That whenever any dispute arises in the matter of the adjustment or settlement, or as the interpretation or application of the terms, of any contract which has been made for any of the purposes set forth in this act, and in the execution of which there has been compliance with statutory requirements, the contractor or the Government by a duly authorized officer from the Department of Justice may give notice to the Secretary of War of intention to appeal to the commission, and provided notice of appeal is filed with the chairman of the commission within 30 days: *Provided, however*, That if the representative of the Department of Justice agrees with the action of the War Department there shall be no appeal by the Government but settlement can be made at once. On an appeal being taken the commission shall thereupon proceed to determine the questions at issue as set forth in said notice of appeal; and the contractor shall be entitled either to receive the whole amount of such award as may be made as in full of his claim on the questions submitted or 75 per cent of the same and sue the United States in the Court of Claims for any remainder, all as provided next above as to agreements otherwise within the purview of this act.

That in executing the duties and powers conferred by this act the commission may make its own rules and regulations and may hear and

determine issues informally. It shall be the duty of the Secretary of War to furnish to the commission such evidence, documents, or papers pertaining to transactions as to which notice of appeal has been filed as the commission may request. The commission is authorized, in its discretion, to appoint an examiner in any region or district when such region is within the United States where, in its judgment, the taking of additional testimony is necessary to the determination of any case. Such examiner shall be a resident of the region or district for which he is appointed, and shall not have any interest, directly or indirectly, in any contract or transaction coming before him or receive any compensation save and except such per diem compensation and expenses as shall be fixed by the commission. Whenever the commission shall refer to any such examiner any claim presented hereunder, the examiner shall proceed, under the direction of the commission, to hear the parties, take the proofs, and return the same to the commission with his recommendations thereon as promptly as possible.

Sec. 3. That nothing in this act contained shall be held to validate any such contract unless the officer who was at the time of the making of such contract the chief of the division or bureau, as the case may be, in which said contract was negotiated, or, in the event that such officer was not responsible for the making of such contract, then the officer in such division or bureau who was so responsible, together with the officer who signed said contract, shall each severally make and subscribe to an affidavit in writing, giving the definite terms of such contract, the name or names within his knowledge, of any such officer or officers who took part in the negotiation or making of the same, and stating whether or not within his knowledge any officer aiding in such making was interested, directly or indirectly, in said contract, and in addition subscribing to an oath to be appended to said affidavit in substantially the following form and tenor:

"I, _____, Chief of the Division or Bureau (naming it) in which the contract hereinbefore mentioned was negotiated, at the time of negotiation thereof, and the officer in the Division or Bureau (naming it) responsible for the making of the contract hereinbefore mentioned, and I, _____, the officer who actually signed said contract, do hereby each severally swear that I am not and was not at the time of the making of said contract directly or indirectly interested in said contract."

That in respect to any such contract as to which any one of said officers can not take the foregoing oath, or after diligent search or inquiry by the contractor can not be found, or is at the time actually engaged in foreign service, or refuses to take said oath, then upon such facts and the fact required in the oath of such officer, appearing by an affidavit of the contractor, or of one of its partners, chief officers, or chief agents acting in its behalf, the Secretary of War shall promptly report such contract to the War Contracts Appeals Commission and furnish to said commission such evidence, documents, and papers pertaining to the transaction as may be within his control, and such commission may request, and original jurisdiction is hereby vested in, said commission to hear and determine said claim with the powers and upon the procedure hereinbefore described in this act. Said commission shall make its award or finding thereon and deny said claim or grant it in whole or in part, according to the justice and equity thereof, and the award or finding shall have the same force and effect and create the same rights as if made under the provisions of section 3 of this act. And it shall be the further duty of said commission in hearing, investigating, and determining such claim to find and determine whether any of such officers is or was at the time of making of said contract directly or indirectly interested in said contract.

Sec. 4. That nothing in this act contained shall be construed to relieve any officer or agent of the Government from prosecution under the penal statutes of the United States for any fraud, criminal conduct, illegality, or irregularity in connection with any of the agreements or orders referred to herein or the execution or signing thereof.

Mr. McKELLAR. Mr. President, if it is in order, I desire to offer an amendment to the pending bill, on page 10, line 5, to strike out the period and make a semicolon, and to add what I send to the desk.

The PRESIDING OFFICER (Mr. New in the chair). The amendment will be stated.

The SECRETARY. On page 10, line 5, before the period, and after the word "possible," it is proposed to insert:

Provided, That in no case, however, shall any award either by the Secretary of War or by the commission or the Court of Claims include prospective or possible profits on any part of the contract beyond the goods and supplies delivered to and accepted by the United States, and a remuneration for expenditures necessarily incurred in preparing to perform said contract or order so canceled.

Mr. McKELLAR. That is the provision that is in the Hitchcock amendment, and it should be inserted here. I think no one will say that there should be a payment for prospective or speculative profits. This is the matter as to which the Senator from Wisconsin [Mr. LEXROO] and others argued on yesterday, and I hope the chairman of the committee will accept the provision.

Mr. CHAMBERLAIN. I think I have no objection to the first part of the amendment, but the latter part of the amendment is even broader than the Senator from Wisconsin argued for. I do not think it ought to be included in the bill.

Mr. POMERENE. I ask to have the amendment again reported.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The Secretary again stated the amendment proposed by Mr. McKELLAR.

Mr. CHAMBERLAIN. The latter part of the amendment I am not willing to accept.

Mr. McKELLAR. Are the words to which the Senator from Oregon objects the words "and a remuneration for expenditures necessarily incurred in preparing to perform said contract or order so canceled"?

Mr. CHAMBERLAIN. Take one illustration. I understand that in some cases the Government of the United States has

insisted that a contractor shall go ahead and use patents that had been obtained and issued in the names of other parties, and that the Government would stand behind the contractors to defend them against any proceedings that might be instituted to recover penalties or royalties. I think the Senator's amendment goes to an extent that it would preclude recovery in cases of that kind.

Mr. McKELLAR. I do not think so. If the Senator will look at lines 10, 11, and 12, I think he will find the language there is sufficient to include the objects which the Senator suggests. It provides for remuneration. It requires the Government to make "remuneration for expenditures necessarily incurred in preparing to perform said contract or order so canceled." I should think that that language would be broad enough.

Mr. CHAMBERLAIN. It in part nullifies the provisions of the bill, just as it nullifies the provisions of the Hitchcock bill itself, if it be inserted in it. It ought not to be in here. I am perfectly willing to accept that portion of the amendment which refers to prospective or possible profits on unperformed portions of a contract. I think that is as far as it ought to go.

Mr. FRELINGHUYSEN. Will the Senator from Tennessee suffer an interruption?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. I yield to the Senator.

Mr. FRELINGHUYSEN. Mr. President, I understand the effect of this amendment would be the same practically as section 6 of the Hitchcock substitute?

Mr. McKELLAR. It merely includes the Secretary of War. It is the exact wording of the Hitchcock substitute, except that the words "and the Secretary of War" are added for the purpose of making it apply to the Chamberlain bill.

Mr. FRELINGHUYSEN. Mr. President, I am not defending the validation of any unearned profits, nor do I believe that any of the great profits which might accrue to a contractor by reason of the validation of a contract or a contract that can not be canceled should be paid, but there are certain contracts which, I understand, have been made by the Secretary of War—verbal agreements, probably some of them agreements by letter—that involve an adjustment of profits. I do not know what those contracts are. I only know that the Secretary of War states that some of those contracts have been made by reason of the fact that the department had to induce contractors to change their method of manufacture, to change their machinery, to enlarge their plants, and that certain promises and assurances have been made to those contractors.

Now, I want this bill so written that it shall not repudiate those agreements; that those agreements may be adjusted either by the Secretary of War or by this proposed commission. A repudiation of any agreement of that character would involve the good faith of the Government when it has been pledged by an agent of the Government.

I wrote to the Assistant Secretary of War, Mr. Crowell. I might say, if I am not encroaching too much on the Senator's time in this connection, the Assistant Secretary of War has given a great deal of attention to the adjustment of these contracts, and he has accomplished a great deal in ascertaining the facts regarding them. Many of them are ready for settlement as soon as they are validated. In reply to my query, the Assistant Secretary of War sent me the letter which I hold in my hand, in regard to section 6 of the Hitchcock bill, which is practically the same in effect as the amendment proposed by the Senator from Tennessee [Mr. McKELLAR]. I desire to ask the Secretary to read this letter, if the Senator from Tennessee has no objection.

The PRESIDING OFFICER (Mr. Wolcott in the chair). Without objection, the Secretary will read as requested.

The Secretary read as follows:

WAR DEPARTMENT,
OFFICE OF THE ASSISTANT SECRETARY,
DIRECTOR OF MUNITIONS,
Washington, D. C., January 28, 1919.

HON. JOSEPH S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: You have asked my views as to the effect of section 6 of the Hitchcock bill. This bill gives to a proposed commission complete jurisdiction over the adjustments of all contracts, valid and invalid, entered into by the War Department for war supplies which are suspended, canceled, or terminated prior to complete execution, by reason of the termination of hostilities. Section 6 provides that neither the commission nor the Court of Claims shall make any allowance in such cases for any profit to the contractor other than on goods and supplies actually delivered to the United States with the remuneration for expenses necessarily incurred in preparing to perform the contract or order that is canceled. Under this provision, though a contractor may have employed large amounts of his capital and months of hard work upon the work in process, he is to be permitted no reward whatever for such use of his capital and for such services where the con-

tract is terminated before the actual delivery of supplies. In the event that any supplies are delivered his reward is limited to that part of his capital and services which go to the completion of those supplies, and no reward is permitted for the use of that part of his capital and his services which are embodied in work in process, the completion of which is abandoned at the direction of the Government. Such a restriction would involve direct violation of obligations entered into by the American Expeditionary Force with foreign governments and with the citizens of foreign countries, and would cast a reflection upon the good name of this Government, which I believe Congress would regret just as much as this department.

As to contracts in this country, the standard termination clause in use by the department provides for the allowance to the contractor of a certain percentage of the cost to the contractor of materials, unfinished articles of work in process, and component parts furnished by the contractor and on hand, which are in compliance with provisions of the contract and specifications. This allowance is by way of compensation for the use of the capital furnished by the contractor and the services rendered by him in the performance of work for the Government which at its instance is not completed.

It seems to me that section 6 would impair the obligation of such contracts. The good faith of the Government seems equally involved where work has been undertaken by contractors on the faith of receiving a contract in this form and where the armistice has interposed to prevent its actual execution.

Very truly, yours,

BENEDICT CROWELL,

The Assistant Secretary of War, Director of Munitions.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. McKELLAR. I yield to the Senator.

Mr. HITCHCOCK. The Assistant Secretary of War is mistaken when he refers to my bill as covering legal contracts. One of the differences between the bill proposed by me and the substitute reported by the committee is that mine is limited to those cases in which the contracts are defective or the orders are informal. The House bill, like my bill, only covers those cases. It does not attempt to cover cases where there is a legal contract providing the terms under which it may be adjusted.

Mr. LENROOT. Mr. President—

Mr. McKELLAR. I yield to the Senator from Wisconsin, who has some suggestion to make about the matter, I believe.

Mr. LENROOT. I should like to suggest to the Senator that, while his amendment as incorporated in the Hitchcock amendment covered only contracts defectively executed, when offered as an amendment to the committee bill it also covers contracts fully executed in compliance with all statutory requirements. I do not believe the Senator would desire to have Congress abrogate a legal right, and I therefore wish to ask the Senator whether he will not accept an amendment to his amendment adding these words:

Provided, The foregoing shall not apply to any contract executed in compliance with all statutory requirements.

Mr. McKELLAR. That amendment will be entirely satisfactory, although I think the same result could be perhaps accomplished by having my amendment read:

That in no case of a contract validated by this act—

And so forth. Probably that would make it shorter; but the Senator's amendment covers it absolutely.

Mr. HITCHCOCK. Mr. President, I think the Senator from Wisconsin will have to qualify his proposed amendment to the amendment. I understand that there are some contracts entirely legal in form which contain no provision for cancellation and the settlement of damages; so that the only exception should be those cases covered by contract.

Mr. McKELLAR. The Senator from Nebraska is entirely right about that. As I recall the testimony, there are only a very small number of contracts legally drawn and executed that have the cancellation provision; in other words, I think only until recently, I think in October—

Mr. CHAMBERLAIN. In July.

Mr. McKELLAR. The Senator from Oregon corrects me, and I am sure that he knows the fact—in July they adopted a new form of contract, which contained a cancellation provision. All the contracts up to that time contained no cancellation provision.

Mr. LENROOT. Mr. President, may I ask the Senator if he thinks that as to any contract that is legally executed Congress now can change the measure of damages to which a contractor may be entitled?

Mr. McKELLAR. That is perhaps true. When a contract has already been signed and is valid, while Congress under the Constitution can impair the obligation of such a contract, yet we do not permit the States to do so, and therefore it would not be proper for us to do so, either as a matter of policy or on any other ground.

Mr. LENROOT. I appreciate that. If an amendment is in order, Mr. President, I will offer such an amendment.

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. I will accept the amendment offered by the Senator.

Mr. LENROOT. Very well. Then I wish to ask the Senator whether he will not accept another amendment?

Mr. McKELLAR. Perhaps it would be better to have the amendment already presented adopted.

Mr. POMERENE. Let me ask to have the amendment to the amendment again stated.

The PRESIDING OFFICER. Without objection, the Secretary will state the amendment offered by the Senator from Wisconsin to the amendment of the Senator from Tennessee.

The SECRETARY. At the end of the amendment offered by Mr. McKELLAR, it is proposed to insert the following proviso:

Provided, The foregoing shall not apply to any contract executed in compliance with all statutory requirements.

So that it will read:

That in no case, however, shall any award, either by the Secretary of War or by the commission or the Court of Claims, include prospective or possible profits on any part of the contract beyond the goods and supplies delivered to and accepted by the United States, and a remuneration for expenses necessarily incurred in preparing to perform said contract or order so canceled: Provided, The foregoing shall not apply to any contract executed in compliance with all statutory requirements.

Mr. McKELLAR. Mr. President, I wish to make a statement with reference to the letter written by the Assistant Secretary of War. I do not agree with his construction of section 6. I do not know whether or not the Assistant Secretary of War, who is a very fine gentleman, is a lawyer; but if he is, he has very incorrectly interpreted the meaning, as I believe, of section 6, because I think the last three lines in section 6 cover exactly the case which the Senator from New Jersey [Mr. FRELINGHUYSEN] suggested awhile ago, where it provides that such proper remuneration can be made. Section 6 does cut out prospective or possible profits, and I think it ought to do so. There ought not to be any prospective or possible profits allowed in these settlements.

Mr. FRELINGHUYSEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. I yield to the Senator.

Mr. FRELINGHUYSEN. Possibly the Senator is correct. My anxiety is only to avoid any statutory prohibition which will work an injustice on a contractor who, in good faith, has gone ahead and expended his capital in order to provide materials upon an order from the Secretary of War.

Mr. McKELLAR. I will say to the Senator that I join him in that. I am just as anxious to protect the rights of contractors as anyone else could be; and I think they ought to be protected. At the same time I think the rights of the Government should be protected in like manner and a provision should be enacted that will be fair for all alike.

Mr. FRELINGHUYSEN. I am not seeking to have the Government's rights invaded in any way whatsoever.

Mr. McKELLAR. I am sure of that.

Mr. FRELINGHUYSEN. But I am informed by the Secretary of War that there are certain contracts—verbal contracts, I believe—which have been made, where assurances have been given to the contractor of certain profits, where no cancellation has been agreed upon. In order to get the materials and supplies, they have been compelled to give a quantity order; and they feel that when they cancel that order, having no agreement as to cancellation, there should be some adjustment as to profits without their being compelled to take the full order which they agreed to take. Does the Senator understand the situation?

Mr. McKELLAR. I understand that situation.

Mr. FRELINGHUYSEN. Now, I claim that if the Secretary of War has made any such agreement involving the payment of profits, which according to the technical provisions of this act may be unearned, it is unfair to write such a prohibitory section in this law.

Mr. McKELLAR. Do I understand the Senator to mean that the Secretary of War has entered into a contract giving to the contractor prospective or possible profits on the unearned portions of the contract? It is inconceivable to me that the Secretary of War would do such a thing.

Mr. FRELINGHUYSEN. I understand that there have been some orders given for a certain quantity of materials—let us assume, for illustration, a million yards of cloth. The manufacturer has bought the machinery and increased his facilities.

Mr. McKELLAR. That is all provided for here.

Mr. FRELINGHUYSEN. The Secretary of War has stated that he would take that million yards of cloth, and the contractor has practically figured his profits on that million yards of cloth upon the assurance that the Secretary of War would accept delivery. Now, there is no provision for cancellation.

Does the Senator believe that that contractor should be prohibited from receiving his profits on that million yards of cloth when he has bought the materials and put the machinery in his plant?

Mr. McKELLAR. Let me see if I understand the Senator. If I understand the Senator correctly, I most certainly do believe that the Secretary of War ought not to permit any such possible profits to be allowed to the contractor.

Let us assume that a mill has put in \$5,000 worth of machinery on a very large order and it is only out the \$5,000, and that much of the machinery can be used by the contractor, as shown by the facts, and if he had carried out his entire contract with the Government he would have had half a million dollars of profits. Does the Senator mean to say that we ought to validate a contract that would permit this contractor on an expenditure of \$5,000 for machinery which he still owns to reap from the Government \$500,000 of possible or expected profits?

If that is what the Senator means, I most emphatically say I do not agree to any such proposition.

Mr. FRELINGHUYSEN. Of course, the Senator has inflated the figures somewhat, but I do not mean to assume that at all. I mean that when the Secretary of War has given a contractor the assurance that he will make certain profits by giving him a quantity order, and he has expended for machinery or for changes in his mill an amount of money practically in excess of the profit to be derived, it is a proper case for adjustment, and possibly some unearned profits may have to be paid in order to do justice to that contractor. Therefore I say that cases of this character should be subject to an appeal to the commission and should not be made the subject of a prohibitory statute.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

Mr. McKELLAR. I yield; surely.

Mr. CHAMBERLAIN. Let me ask the Senator what he would do in a case of this kind, which I put by way of illustration, where a contractor has been contracted with to supply a very large amount of shells, for instance. He goes to work and he supplies the Government one-half of the goods in that line that he has already manufactured and has on the ground. What is the Senator going to do with a man of that kind? This amendment provides that there shall be no profits on any part of the contract beyond the goods and supplies delivered to and accepted by the Government.

Mr. McKELLAR. Oh, no; the Senator misinterprets the language.

Mr. CHAMBERLAIN. No.

Mr. McKELLAR (reading)—

Beyond the goods and supplies delivered to and accepted by the United States—

Mr. CHAMBERLAIN. Certainly.

Mr. McKELLAR. That is one, and what else? Why—

A remuneration for expenditures necessarily incurred in preparing to perform said contract or order.

That takes in all that the Senator means.

Mr. CHAMBERLAIN. I beg the Senator's pardon. The first part of his provision provides only for the reimbursement of the contractor for the goods actually manufactured, delivered to, supplied, and received by the Government. Now, where these goods are on the ground and have not been delivered or accepted there is no compensation provided for at all.

The latter part of this section to which the Senator calls attention has reference to the expenditures made by a man to increase his plant, for instance; and if the Senator is looking to the protection of the Government, he mulcts the Government by that last provision. Why?

Suppose a manufacturer or contractor has gone to work and spent a million dollars in the enlargement of his plant. That has been necessary to carry out the contract that he had with the Government. Now, then, the Government cancels his contract. He has not used or utilized the extended plant, and the Government must pay him for all of it, notwithstanding there may be a very large salvage. Now, there is the instance where the Government is imposed upon, and in the first part of it the contractor is imposed upon.

Mr. McKELLAR. Mr. President, I think the Senator does not get at the real meaning of this section.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. Just one moment. Let me reply to the Senator from Oregon for just a moment. I will read the language:

That in no case, however, shall any award, either by the Secretary of War or by the commission or the Court of Claims, include prospective or possible profits on any part of the contract—

Now, wait a minute. We are not talking now about real profits. We are not limiting the real profits that are made on it. We are limiting, in the latter part of this section, only the possible or prospective profits. That is the only limitation that is in this section—

Prospective or possible profits on any part of the contract beyond the goods and supplies delivered to and accepted by the United States, and—

In addition to that—

a remuneration for expenditures necessarily incurred in preparing to perform said contract or order so canceled.

Under that provision—and I will yield to the Senator from Ohio in just a moment—every justice can be done the contractor. He is remunerated, given his real profit; full justice can be done to him, full justice can be done to the Government; but it does not provide that he shall receive the kind of profits that I have suggested a few moments ago, where a man puts \$5,000, for instance, into the increase of his plant on an order that might involve a million dollars when completed. It might take two or three years to complete it. He may have a half million dollars of prospective profits if he completes the order, but he has put only \$5,000 into it. It may be that he has put only \$1,000 into it, to use an extreme case; and yet is it to be arranged so that he can, under the terms of this validating act, receive \$500,000 of prospective profits?

I do not think the Senator contends that he should do it. I say that we ought to pay the contractor liberally; we ought to pay him well; we ought to pay him everything that is due him and give him a profit on it; but we ought not to give him a possible or prospective profit on unearned portions of his contract. This is what this section prohibits, and it ought to be adopted.

I now yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, I think certainly the Senator will have to amend his proposed amendment quite a good deal.

Mr. McKELLAR. If the Senator will offer some amendments that will be good, I shall be delighted to accept them.

Mr. POMERENE. I will make a suggestion that I know the Senator will think is right.

Mr. McKELLAR. I will admit anything that is right to carry out that purpose.

Mr. POMERENE. Suppose, as a matter of fact, a concern is manufacturing cannon. They have to go through many processes, I understand. I do not know anything about the manufacture of them. They may have their shops filled with cannon that are half completed. They have not been delivered to or accepted by the Government. They are there in an uncompleted state. The material of the contractor is in them, and a large part of his labor is in them. Now, it does seem to me that the contractor ought to be allowed a reasonable profit upon that work and material, even if the goods have not as yet been delivered to or accepted by the Government.

Mr. McKELLAR. There is not any difference between the Senator and myself on that subject. If the Senator will read this provision carefully and give it the care that he usually does, being the very able lawyer that he is, I am quite sure there will be no difference between us on that subject. This section refers to prospective or possible profits. It refers to daydreams of contractors—a man who has a contract of \$100,000 and expects to make a million dollars out of it, especially if he has not done the work. It just does away with that kind of thing; but it does not prevent the contractor from getting the profits to which he is entitled.

Mr. POMERENE. It does not on the goods which are delivered, but it does prevent his getting any profits on the goods that are only half completed. That is my objection.

Mr. McKELLAR. Oh, no; it is only prospective or possible profits. That is all it refers to.

Mr. POMERENE. I think the Senator is wrong.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Iowa?

Mr. McKELLAR. I yield to the Senator. I was about to yield the floor. I will yield the floor to the Senator.

Mr. CUMMINS. I wish to ask this question of the Senator from Tennessee, because he has the faculty of very clear statement, and I am deeply interested in this bill, because there are a good many people in my State who are in grave danger of suffering a loss which they can not easily bear.

Mr. McKELLAR. I will say to the Senator that I am the last man in the world to make any contractor bear a loss which he should not bear.

Mr. CUMMINS. I do not know much about these matters. The members of the Military Affairs Committee are a great deal more competent than I am to apply this language to the actual cases. What I should like to know is this, and I ask it

both in regard to the committee amendment and in regard to the proposed Hitchcock amendment:

Is it the purpose of the proposer of the amendment to put those who have entered into contracts or partial contracts with the Government in precisely the same situation or condition as though the acts which had been performed by both parties had been performed between private individuals and allow the individual to recover from the Government the damages or losses upon recognized principles of the law which would be recoverable if the same things had been done between two persons instead of between a person and the Government? If the Senator from Tennessee will explain that to me, I shall be a good deal better able to follow the language of these bills and reach a conclusion as to which one will be most equitable.

Mr. McKELLAR. Mr. President, I shall take great pleasure in giving the Senator my views.

Generally speaking, that is the purpose of both bills. They can not be put in the same position as those who have valid contracts. To illustrate what I mean, the greater portion of these properly signed contracts are contracts without any cancellation clause at all. A grosser piece of negligence can hardly be imagined. Here we have given unlimited sums of money to the departments to furnish lawyers, and how, even by accident, a cancellation clause could have been left out of the contracts it is difficult to see.

Mr. CHAMBERLAIN. Mr. President, let me make this statement to the Senator about that: The Secretary advises me that a great many of the contracts made prior to the 1st of July last had the cancellation clause in them, but that since that time all of them have.

Mr. McKELLAR. Well, that is not the proof before our subcommittee; that is all I can say. The proof before our subcommittee is that comparatively few of the valid contracts have the cancellation clause.

Mr. CUMMINS. I will ask the Senator to make that just a little clearer to me about the cancellation. Does the Senator mean a cancellation clause that would permit the termination of the contract without any damages?

Mr. McKELLAR. Oh, no; providing for the damages and providing the conditions and methods of procedure and all about how they should be computed. All of those things are provided for in the cancellation clause; and in every contract that is prepared by a lawyer there is a cancellation provision, as every lawyer knows. As I say, it is absolutely inconceivable to me why they were not in all the contracts; but they are not, and we need not bother about the water that has passed the mill.

I might say to the Senator right there that, of course, any validating of a contract that has a cancellation clause in it but is improperly signed would not put it on an exact equality with the good contract, the properly executed contract, that has no cancellation clause; so we can not put them back exactly as they were. It is impossible to do that. What is proposed by both bills, however, is to see that every contractor in this country who has done work for this Government shall be fully and amply paid. We want them to receive a profit on what they have done for the Government. The subcommittee of which the Senator from Nebraska [Mr. HITCHCOCK], the Senator from New Jersey [Mr. FRELINGHUYSEN], and myself were members, pursued that policy. It was the purpose of the committee to do it; and we instituted this commission, following out the precedent, because there was after the Civil War, as I understand, a commission with independent authority and original jurisdiction created for that purpose; and then after the Spanish-American War there was an independent commission, just such a one as the Hitchcock amendment undertakes to create here, provided to do exact justice, as far as that could be done, between the Government and the contractor. There is not a purpose on the part of anyone to do anything that is unjust. It is merely a difference of opinion as to how it can best be done.

Mr. FRELINGHUYSEN rose.

Mr. McKELLAR. Will the Senator excuse me just a moment? I have a matter that I want to bring before the Senate, and then I will yield to him.

Now, I say "all contracts." There is one class of contracts that both amendments except from that rule, and that is contracts that have been fraudulently made or contracts that have been made contrary to the statutes—not simply not carrying out the statutes but that have been made in violation of the statutes, which are equivalent to fraudulent contracts. The bill, in the fourth section, I believe, or the third section, provides what shall be done even in the case of those contracts; for instance, where a concern sent its officer down here, and he became a dollar-a-year man, and then, after that, became an officer of the Army.

For instance, take the one that is in the RECORD to-day, if you gentlemen are interested in it, and will look it up—the case of John C. McCubbin, who was an officer of the Standard Sanitary Co., recommended by the officers of that firm to come down here and become a purchasing agent for the Government in connection with enamel ware. He came down here, became a major in that department, bought all of his goods from the concern which he represented, and is going back, as soon as he is released, to that concern. I think there was something like \$800,000 worth bought from that concern and \$34,000 worth bought from all the other concerns of like kind in the country. Maj. McCubbin, according to the proof here, was not representing the Government, though he was an officer sworn to represent it, but he was virtually an officer of the United States representing his own concern.

A Senator asks me if he called for bids. Oh, no; he simply bought outright from his own concern.

Now, even in the case of a contract like that, what do we do? Take a contractor like that. He comes in with unclean hands. In my judgment, that officer ought to be court-martialed and sent out of the Army; and yet, with a contract like that, the desire of the committee was to do equal and exact justice to a contractor of that kind; and we provided here that the Secretary of War shall segregate even that kind of a contract and submit it to this commission; but if the commission finds, notwithstanding the circumstances under which the contract was obtained from the Government, that they have done something or furnished goods for which the Government ought to pay, the commission is allowed to pay for them. It could not be fairer.

Mr. CUMMINS. Mr. President, no one could have any sympathy with that sort of contract; and I not only have no defense to make of a proceeding of that kind, but I should like very clearly to differentiate such contracts from the ordinary obligations which have been entered into.

Mr. McKELLAR. Will the Senator excuse me just a minute?

If he will look into this bill, the Hitchcock bill, and the Chamberlain bill, too, that class of contracts is very clearly differentiated from the other classes, and it ought to be. My natural propensity, anyone's natural propensity, would be, in a case like that, to say, "You come in here with unclean hands. You can not recover anything from the Government"; but we do not do that. We put it in the power of this independent commission which we create to deal fairly even with that man, notwithstanding he comes in with unclean hands.

Mr. CUMMINS. I am not speaking of any such case. I am speaking of an honest contract; but section 6 provides:

That in no case, however, shall any award either by the commission or the Court of Claims include prospective or possible profits on any part of the contract beyond the goods and supplies received and actually delivered.

Mr. McKELLAR. The Senator does not read it all. Will not the Senator do the provision the justice to read it all?

Mr. CUMMINS (reading)—

Beyond the goods and supplies received and actually delivered to the United States, and a remuneration for expenses necessarily incurred in preparing to perform said contract or order so canceled.

Mr. McKELLAR. Yes.

Mr. CUMMINS. I am speaking, mark you, of an honest contract, made properly or validated properly under this bill.

Mr. McKELLAR. Surely.

Mr. CUMMINS. I understood the Senator a moment ago to say that in such a case he wanted to put the contractor and the Government in exactly the same position as though the contract had been made between two individuals, and allow a recovery from the Government of those damages which, under recognized principles of the law, would be recoverable. It was that thought which led me to make the inquiry. Now, I think the Government of the United States ought to be just as honest as an individual.

Mr. McKELLAR. I do, too.

Mr. CUMMINS. It can not, of course, always be sued. It has some immunities in that respect; but whenever we find a contract that would be enforceable between private persons, I think the Government ought to pay just the same damage and upon the same rule which its courts would enforce against a private person who had violated his contract or who had failed to carry it out.

Mr. McKELLAR. I agree with the Senator entirely.

Mr. CUMMINS. This section will not do that.

Mr. McKELLAR. No; the Senator is entirely mistaken about it. If the Senator will simply read the Cramp case, in Two hundred and sixteenth United States, page 494, he will find that the Supreme Court has definitely held that the departments can not allow unliquidated damages.

Mr. CUMMINS. I am not speaking about the law. Let the law come as it will; it will be administered either by the commission or the Court of Claims.

Mr. McKELLAR. If we give the commission the right to consider prospective or possible profits our action is final. I want to leave it where the law is, and that is what this section does. It puts them exactly where the law leaves them and where the other settlements are left.

Mr. CUMMINS. You can not put them above the law.

Mr. McKELLAR. But we can prepare a law especially for them, and if the Senate strikes out section 6 and we adopt the provision of the House, there will be a special law in their favor in so far as possible or prospective profits are concerned.

Mr. CUMMINS. Where is that found? I am asking purely for information. Where do we make a special law for the recovery of damages in such a case?

Mr. McKELLAR. The Secretary of War, under the terms of the bill, is given the power to allow such damages and profits as he may see fit upon the cancellation of the contract unless limited. When I say the Secretary of War, we know the Secretary of War does not do it, but some second lieutenant or major or captain. For instance, if it is enamel ware, this man McCubbin will allow it. He can allow the Standard Sanitary Co., where he comes from, whatever profit he sees fit.

Mr. NEW. Mr. President—

Mr. McKELLAR. I will yield in just a moment.

Mr. CUMMINS. I am speaking now of the case of a contract either originally made or validated in the way provided for in either the Hitchcock amendment or the committee amendment.

Mr. McKELLAR. I am speaking of that, too.

Mr. CUMMINS. Does the Senator mean to say that in such a case there is any special provision in either of these amendments with regard to the measure of damages?

Mr. McKELLAR. No; but here is what we do. Without the restricting feature set out in section 6 of the amendment, these officers of the Army who make the settlements on valid contracts already validated or those that we validate will be permitted to make any settlement they please, and the Government will be bound by it. If they allow prospective and possible profits and unliquidated damages, it will be absolutely good under this provision.

Mr. CUMMINS. Would the Government then have the opportunity to appeal to a commission or the Court of Claims?

Mr. McKELLAR. They have a limited right of appeal in the Chamberlain bill. In the Hitchcock amendment, which is much better, the commission itself settles the matter.

Mr. FLETCHER. Mr. President—

Mr. McKELLAR. I promised to yield to the Senator from Indiana [Mr. NEW].

Mr. FLETCHER. Just in connection with what the Senator from Iowa said—

Mr. McKELLAR. All right.

Mr. FLETCHER. If the Senator will allow me to point it out, the Senator from Iowa, I think, is correct in that the bills do not cover profits. Section 5 of the Hitchcock bill reads:

Jurisdiction to hear the case and render final judgment in such sum as may be required to reimburse the contractor for expenses necessarily incurred in good faith in the partial performance of the contract or order above referred to.

I do not think provision is made for profits in either of these measures. Therefore I can not see that there is any reason for negating something that is not provided for elsewhere.

Mr. McKELLAR. The Senator makes the same mistake that other Senators have made. This section does not apply to profits at all; it applies only to prospective and possible profits, and there is a very wide distinction between the two classes of profits, as we all know.

Mr. FLETCHER. In the authority given elsewhere in the bill, there is nothing anywhere requiring the commission or the Secretary of War to allow profits. That is the point the Senator from Iowa makes. I also want to ask the Senator this question: He referred frequently in his remarks to the Hitchcock amendment. He has reference to the bill proposed by the Senator from Nebraska [Mr. HITCHCOCK]?

Mr. McKELLAR. I have.

Mr. FLETCHER. The bill that is about to be offered as a substitute?

Mr. McKELLAR. Yes.

Mr. FLETCHER. May I ask the Senator, if he has reference to that, whether section 6 of that amendment covers what is offered in the other bill?

Mr. McKELLAR. Of course it does, and what we are doing now is trying to perfect the Chamberlain amendment.

Mr. FLETCHER. I ask the Senator if he proposes to substitute the Hitchcock amendment?

Mr. McKELLAR. I wish to have that measure adopted. I am very much in favor of the Hitchcock amendment. I think it is a very much juster measure than this. I now yield to the Senator from Indiana.

Mr. NEW. Mr. President, I wish to make an inquiry by stating a case. I know, for instance, one concern, a woodworking concern, which was called upon in the early stages of this contract making to depart from its own line of products and to take up an entirely new one for the department; that is, new, except that it was in the line of woodworking. They did not want to do it, because it involved a very radical change in their plant, the addition of a lot of machinery, and all that. They carried on their negotiations with the department verbally; there was not a stroke of the pen on any of it. They demurred against it, objected to it, but finally, at the insistence of the department, agreed that they would depart from their own line and go into this side line that the department wanted them to take on.

They never did reach the point of making a written contract, but they did this, Mr. President: They estimated what it would cost them to put in the new plant and what it would cost them to dismantle that new plant when they got through with the Government job, because when they do get through with that the additional machinery that they put in in order to turn it out is of no value to them whatever. They have to take it out, every single stitch and particle of it, and their agreement with the Government as to the price they were ultimately to receive was fixed on the profit that they expected to make out of the Government contract.

Now, only a part of their goods have been delivered. They have a very large quantity of undelivered stuff in a partial stage of completion only left on their hands, and they owe something like \$600,000 in the banks which they have borrowed in order to complete that contract. That is four times as much as ordinarily they would be able to borrow from the banks according to their capital and all. The banks can not go any further with them. They can not dismantle and go back to their own line. They are tied up without being able to settle this contract at all. They are at a standstill. Their employees are idle. In other words, they are out of business.

Now, I want to know if the Senator thinks under the amendment he has just offered, if it prevails, it would be possible for the War Department to make an adjustment with them, allowing what they expected to get on the face of which they went into the contract.

Mr. McKELLAR. I will answer the Senator's question. If this amendment should prevail, that concern would get a return for all the money expended, a reasonable profit on what has been done. The Secretary of War or the commission would be in position to give that concern everything, including a real profit that the concern was justly entitled to. But if the concern, with that verbal understanding stated, just as the Senator has stated, which seems to me to be quite vague, turns up and says, "Now, we have spent \$75,000 and we expected to make a million dollars out of it," it would not permit those possible or prospective profits of a million dollars on a \$75,000 investment. This section would prevent that, but the section would provide that what was right and proper and reasonable should be paid the contractor.

Mr. FRELINGHUYSEN. Mr. President—

Mr. McKELLAR. Now, let me take just one moment to state a case that actually came up. I do not know whether the Senator from New Jersey [Mr. FRELINGHUYSEN] was on the subcommittee or not. I am talking from the record now. I am not talking of hearsay or possible hearsay.

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. In just one moment I will yield. One division of the Army here last September gave verbal orders for 25,000 bathtubs for the Army. I believe in bathtubs and I believe in taking baths, but it looks to me like 25,000 enamel-ware bathtubs for the Army was a pretty good order. This Mr. Ahrens, the president of the Standard Sanitary Co., in Pittsburgh, who had his agents down here buying bathtubs from him for the Government, went to the Bathtub Manufacturers' Association meeting and bragged about it. They were the people who did not get any contracts. Mr. McCubbin had cribbed all the contracts for the Standard Co., and they had not gotten these contracts and they came down here and told us about it. Mr. McCubbin denied that he had given the contract for 25,000 bathtubs. It appeared that there was no doubt about it. He

had just as good a contract as the one referred to by the Senator from Indiana [Mr. New]; but when he found out the monstrous proposition there was in the purchase of 25,000 bathtubs, enamel ware, zinc, and closets, and everything of that sort, what happened? Where they are going to put them in the Army it is difficult to find. I do not know where so many could have been used. But here was a great company. It had bathtubs to sell; it had its agents buying them for the Government; it had its agents selling them to the Government. Gentlemen, that is the proof. Look in part 2 of the hearings and you will find the proof of this very thing that I say. Now, had we not better put just a little hold on these boys who are settling up with themselves?

Mr. CUMMINS. Those contracts ought not to be validated at all.

Mr. McKELLAR. Certainly it ought not to be validated so as to get what the president of this company may consider is a prospective or possible profit out of it.

Mr. CALDER. Will the Senator yield to me?

Mr. McKELLAR. I promised to yield to the Senator from New Jersey, and then I will yield to the Senator from New York. Indeed, I am ready to yield the floor.

Mr. FRELINGHUYSEN. I will say to the Senator from New York that I shall take only a moment. The Senator from Tennessee has clearly stated his definition of the amendment in regard to certain cases that have come under his observation which clearly are contracts that should never have been made. I have very little knowledge of contract law. The Senator, who is a lawyer, knows a great deal more about it than I do. As I stated before, I am very anxious to avoid any injustice by inserting in the act any phraseology which will repudiate any honest contract made by the Government.

Mr. McKELLAR. I have the same view the Senator has.

Mr. FRELINGHUYSEN. Now, I will put a concrete case, and I would very much like to have the Senator's opinion as to whether his amendment will not practically repudiate this agreement made by the Government.

Mr. McKELLAR. I shall be glad to give the Senator any information I can.

Mr. FRELINGHUYSEN. A by-product coke manufacturing concern was solicited by the War Department to add to its plant additional ovens in order to increase for the Government the supply of toluol and ammonia.

Mr. McKELLAR. I am familiar with that class of contracts.

Mr. FRELINGHUYSEN. The business of the company in normal times did not need the additional equipment, and it was unwilling to expend the money required for this addition unless it was secured by a contract for the sale of these products, which were merely by-products in its coke production. The War Department therefore made a contract with the concern whereby the concern obligated itself to build additional ovens and sell its entire output of toluol and ammonia to the Government for the period of two years.

The contracts contained a provision authorizing the War Department to cancel the contract at any time, in which event it agreed to pay the producer for the balance of the term of the contract the difference between the contract price and the amount which the producer would realize on the market for such product. The manufacturers decided that if they had a sale of these products for two years at the contract price, which was the standard price paid by the Government, they could take the business risk of having a larger plant than they needed at the termination of the war.

Now, that was a two years' contract. It is canceled, and your provision provides that no unearned profits shall be paid—

Mr. McKELLAR. The Senator is mistaken about that. That contract, if I caught it right, and I think I did, would be perfectly plain. It provides what profits shall be made. They are fixed in the contract. Of course those profits will be allowed under the settlement. Under section 6 there is no doubt in the world about that. Why? Because the parties, before the contract was made, agreed upon what the profits should be, and they are not prospective or possible profits; they are excluded by the terms of the contract from prospective or possible profit.

Mr. FRELINGHUYSEN. They are prospective profits.

Mr. McKELLAR. Not at all. Prospective profits are not profits that the parties have agreed to beforehand and fixed themselves. Of course not.

Mr. LENROOT. Does the Senator mean to say if there is a contract where they propose to pay a profit of 10 per cent on a billion dollars' worth of goods and only \$1,000,000 worth is accepted, yet that is liquidated damages?

Mr. McKELLAR. No, no; I mean this: As I understood the reading of the contract by the Senator from New Jersey, it was that the profits which should accrue were fixed by the parties

themselves in the making of the contract, and if it is liquidated damages it is not prospective or possible profits at all, and it comes directly within this provision.

Mr. FRELINGHUYSEN. I will take only a moment more. I have another case, and possibly the Senator from Tennessee can tell me whether it will come under section 6.

Mr. McKELLAR. You know what they say about a lawyer who gives an offhand opinion; it is not very good. But I will be delighted to give such an opinion as I can.

Mr. FRELINGHUYSEN. I am very glad the Senator has made that reservation. Possibly when he reads the Record he will want to correct it a little.

In a number of instances the Government has required the manufacturers of articles, which were covered by patent which were not owned by them, to make such articles. In such instances there was not time to stop and have careful inquiry as to whether an infringement was involved, and the Government has inserted in its contract a clause agreeing to protect the manufacturer from any claims of the owner of the patent. Would your amendment affect in any way those agreements?

Mr. McKELLAR. I will answer the Senator's question by asking another. Was the acquirement of those patents necessarily incurred in order to carry out the contract?

Mr. FRELINGHUYSEN. I understand that this is the situation as it occurred in many cases where it was necessary for the Government to procure war equipment. The questions of infringement of patent rights or royalty and other questions were simply postponed for future settlement, and in the emergency the Secretary of War assured the owners of the rights and the patents that a settlement would be hereafter made and adjusted.

Mr. McKELLAR. The patents were necessary in order to carry out the contracts, were they not?

Mr. FRELINGHUYSEN. Absolutely.

Mr. McKELLAR. Then it comes directly within the very terms of section 6. It is not left to doubt or to construction, but it comes directly within the terms of section 6.

I now yield to the Senator from New York.

Mr. CALDER. I wish to make an inquiry of the Senator.

Mr. McKELLAR. I make the same reservation about curbstone opinions that I made to the Senator from New Jersey.

Mr. CALDER. I am not a lawyer, as is the Senator from Tennessee, who is a distinguished lawyer, and there is every indication that he has given much thought to this particular provision. I am disposed to agree with the Senator in many of the provisions of the so-called Hitchcock amendment, but the talk on both sides of the Chamber indicates that there is some doubt in the minds of some as to just what section 6 means. I agree substantially with what the Senator says it means, and I wonder if he will be willing to insert this language in the section—

Mr. McKELLAR. There have been some insertions already made, but let the Senator state it.

Mr. CALDER. After the words "United States," in line 10, insert "or ready for delivery or in process of manufacture."

Mr. McKELLAR. I am inclined to think that that would be a proper amendment; I have no objection to it. If the Senator will offer it, I will accept it.

Mr. CALDER. I offer that as an amendment.

The PRESIDING OFFICER. Does the Senator from Tennessee accept the amendment?

Mr. McKELLAR. I accept the amendment.

Mr. CHAMBERLAIN. May I make one suggestion to the Senator from Tennessee? I think he misapprehends that section. The section does not protect the contractor against liability which he incurred; absolutely not. In the case put by the Senator from New Jersey, where the contractor is indemnified by the Government for the use of patents that are held by other parties, every man who uses the patent violates the law, and the royalty may be recovered. Here is an institution going ahead under the guaranty of the Government and using the patents of other individuals, or it may be hundreds of them, as far as that is concerned. All these individuals will have recourse to that contractor, who has acted in reliance upon his guaranty. There is nothing in section 6 to protect those men against those liabilities.

Mr. McKELLAR. I can not possibly agree with the Senator, because it provides in specific terms remuneration for expenditures necessarily incurred. If they have incurred these expenditures, even though they have done so in violation of patent rights, they come directly within the wording of the section just the same. I yield the floor now.

Mr. LENROOT. I offer an amendment to strike out and insert.

The PRESIDING OFFICER (Mr. Wolcott in the chair). The Secretary will read the amendment.

The SECRETARY. In lieu of the amendment offered by the Senator from Tennessee, as modified, insert the following:

That in no case shall any award, either by the Secretary of War, the commission, or the Court of Claims, include prospective or possible profits on any part of the contract beyond the goods and supplies delivered to and accepted by the United States, and a remuneration which may include a reasonable profit for expenditures and obligations or liabilities necessarily incurred in performing or preparing to perform said contract or order so canceled.

Mr. McKELLAR. I will accept that amendment.

Mr. LENROOT. Thank you.

Mr. McKELLAR. I withdraw my amendment and accept this one.

The PRESIDING OFFICER. The Senator from Tennessee withdraws his amendment to the amendment and accepts the one just offered by the Senator from Wisconsin.

Mr. CHAMBERLAIN. I should like to have it read again.

The PRESIDING OFFICER. It will be again read.

The Secretary again read the amendment to the amendment.

Mr. POMERENE. May I ask the Senator from Wisconsin a question? Is the language broad enough to include remuneration for profits upon goods which might be in whole or in part manufactured, but which had not been delivered?

Mr. LENROOT. The language is "in performing or preparing to perform," which clearly would include that.

Mr. POMERENE. I so understand it, but I wanted to be certain about it.

Mr. FLETCHER. It is not clear to me as to the last clause of the proposed amendment. As I caught it, it says the remuneration shall include a reasonable profit.

Mr. LENROOT. Which may include.

Mr. FLETCHER. Which may include a reasonable profit for expenditures.

Mr. LENROOT. Or obligations or liabilities.

Mr. FLETCHER. A "reasonable profit" is one thing and "expenditures necessarily incurred" quite another thing. You do not mean a profit on expenditures?

Mr. LENROOT. I think the Senator is correct, and that should be changed.

Mr. FLETCHER. "Reasonable profits and expenditures."

Mr. LENROOT. No; the language is that the award may permit a remuneration which may include a reasonable profit for expenditures and obligations, and so forth. I think that is correct.

Mr. FLETCHER. Reasonable profits on the performance of the contract is one thing, but remuneration for expenditures, it seems to me, is a different thing. I should think what the Senator perhaps has in mind is to provide for a reasonable profit, and, in addition to that, remuneration for expenditures necessarily incurred.

Mr. LENROOT. I am permitting that. That is what I intend to do.

Mr. FLETCHER. I think the word "and" should be inserted.

Mr. McKELLAR. I think the Senator has it exactly right. The difference between the amendment he has offered and the one offered by me is that his specifically provides for reasonable profits on what the contractor has done. The amendment offered by me provides for precisely the same thing. Both amendments exclude possible or prospective profits. That is my understanding of it, and I think it is entirely satisfactory to the Senate.

Mr. FLETCHER. It seems to me it would be perfectly absurd to provide for reasonable profits and to have a profit for expenditures necessarily incurred in preparing for the contract.

Mr. LENROOT. No; it is remuneration for expenditures, which remuneration may include a reasonable profit.

Mr. FLETCHER. I would not object to that, but a "reasonable profit for expenditures" is a thing that I can not comprehend.

Mr. LENROOT. No; the Senator does not read it correctly. It is remuneration for expenditures—that is the grammatical construction—which may include a reasonable profit.

Mr. FLETCHER. I can understand that; but what I can not quite comprehend is the expression "remuneration * * * for expenditures * * * necessarily incurred" or remuneration for profits on expenditures.

Mr. HITCHCOCK. I should like to ask the Senator from Wisconsin to explain how the term "remuneration" can include a profit. Remuneration means to make good to a man what he has expended. It is therefore less than profit. How can the lesser include the greater?

Mr. LENROOT. I do not understand that remuneration for expenditures necessarily is limited to the actual amount of the expenditures. Remuneration and compensation, I think, are synonymous terms in this, that compensation for expenditures might include the actual amount of expenditures and something added to it for profit.

Mr. FLETCHER. I agree with the Senator, but I think the language is a little unfortunate in that it seems to provide for remuneration for profits on expenditures.

Mr. LENROOT. Let me read it as it stands, and then if the Senator thinks so I shall be glad to accept an amendment to it to make it clear:

And a remuneration, which may include a reasonable profit, for expenditures.

That is, remuneration for expenditures, which remuneration may include a reasonable profit.

Mr. FLETCHER. It might depend upon the punctuation. Do you put a comma after "remuneration"?

Mr. LENROOT. I have a comma after "remuneration" and one after "profit."

Mr. McKELLAR. That will cover it.

Mr. CHAMBERLAIN. I will accept that amendment.

The PRESIDING OFFICER. The Senator from Oregon accepts the amendment to the amendment on behalf of the committee.

Mr. POMERENE. I offer to the substitute the following, to be added to section 4—

Mr. CHAMBERLAIN. The amendment to the amendment has not been voted on by the Senate.

Mr. McKELLAR. It has not been voted on.

The PRESIDING OFFICER. The Chair begs pardon. The question is on the adoption of the amendment offered by the Senator from Wisconsin to the amendment of the committee.

Mr. LENROOT. My amendment was not a substitute, because it left the proviso in which had theretofore been accepted by the Senator; so that the amendment as adopted includes the proviso. I merely desire to understand whether that is correct.

The PRESIDING OFFICER. Let the Chair state the question properly. The question is on the adoption of the amendment offered by the Senator from Tennessee to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Ohio [Mr. POMERENE] has presented an amendment, which will be stated.

Mr. CHAMBERLAIN. Pardon me, Mr. President, but I am not entirely satisfied with what the Record will show in reference to this matter. There seems to be a little pride of opinion in relation to this amendment. The amendment which the Senator from Tennessee proposed was not accepted at all.

The PRESIDING OFFICER. But the Chair calls the attention of the Senator from Oregon to the fact that the Senator from Tennessee offered an amendment; then the Senator from Wisconsin offered an amendment to it, and the Senator from Tennessee said that he accepted that amendment.

Mr. CHAMBERLAIN. That is all right.

The PRESIDING OFFICER. So that the amendment becomes the amendment of the Senator from Tennessee, which was adopted. The Senator from Ohio [Mr. POMERENE] has offered an amendment, which will be stated.

The SECRETARY. At the end of section 4, on page 12, it is proposed to insert the following:

In all proceedings hereunder witnesses may be compelled to attend, appear, and testify, and produce books, papers, and letters or other documents, and the claim that any such testimony or evidence may tend to criminate the person giving the same shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person on the trial of any criminal proceeding.

Mr. CHAMBERLAIN. I have no objection to that amendment.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Ohio.

Mr. HITCHCOCK. I should like to ask whether the Senator is offering that amendment to the committee substitute or to my substitute?

Mr. POMERENE. I am offering it to the committee substitute.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. POMERENE. I offer the amendment which I send to the desk, to be designated as section 5.

The PRESIDING OFFICER. The Senator from Ohio offers an amendment, which will be stated.

The SECRETARY. It is proposed to add as a new section the following:

Sec. 5. Whenever, under the provisions of this act, the Secretary of War shall make an award to any prime contractor who shall have sublet any part of said contract for material, equipment, or supplies to any other person, firm, or corporation who has in good faith made expenditures, incurred obligations, rendered service, or furnished material, equipment, or supplies to any prime contractor, with the knowledge and approval of any agent of the Secretary of War duly authorized thereunto, the Secretary of War shall apportion the amount of said award justly due to each of the subcontractors of said prime contractors. Before payment of said award the Secretary of War shall require any

prime contractor to present satisfactory evidence of having paid said subcontractors or of the consent of said subcontractors to look for their compensation to said prime contractor only; and in the case of the failure of said prime contractor to present such evidence or such consent, the Secretary of War shall pay directly to said subcontractors the amount found to be due under said award; and in case of the insolvency of any prime contractor the subcontractor of said prime contractor shall have a lien upon the funds arising from said award prior and superior to the lien of any general creditors of said prime contractor.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Ohio.

Mr. CHAMBERLAIN. Mr. President, I am not going to oppose the amendment, but I believe that under the terms of the bill reported by the committee the amendment of the Senator is covered. I shall not, however, make any objection to it.

Mr. POMERENE. Mr. President, I have had serious doubts of that. I may say that this matter has been studied by some constituents of mine who are especially interested in it, and I am disposed to take their view of it. I do not believe that the interests of subcontractors are protected by this proposed legislation as they ought to be. I have not any private opinion about this matter, and I shall be very glad, if the amendment shall be adopted, to let the conferees work it out as they think it ought to be.

Mr. CHAMBERLAIN. I have no objection to that, Mr. President.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I desire to move to strike out the proviso, beginning in line 14, page 5, to the end of the paragraph, including line 17, and to insert instead of it another proviso, which I will ask the Secretary to read.

I think the present proviso in the bill as submitted makes it a rather one-sided sort of proposition, and I think that which I propose would clear up the whole matter. I believe it will be agreeable to the chairman of the committee and other members of the committee if they will listen to it.

The PRESIDING OFFICER. The amendment proposed by the Senator from Florida will be stated.

The SECRETARY. On page 5, line 14, after the word "Provided," it is proposed to strike out the remainder of the paragraph and to insert the following:

That payment of expense incurred or loss and damage suffered in preparing for or in the performance of such informal agreements or of formal contracts shall not exceed the fair value of labor performed or services rendered or the actual cost of the materials used, as determined by the Secretary of War.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Florida.

Mr. McKELLAR. I do not agree to that amendment. That means, Mr. President, that whatever agency in the entire country, or even abroad, which happens to be representing the War Department, can fix any compensation they desire. It would not be fair to the Government; it would be very unwise and unjust. The committee has provided a plan here which does equal and exact justice. I think, if we adopt the amendment offered by the Senator from Florida, we might just as well simply turn this matter over and say to the Secretary of War, "You may employ any agency you choose and settle it in any way you can." That is really the meaning and effect of the amendment offered by the Senator from Florida. It gives the Secretary carte blanche to settle these contracts in any way he wishes, and I hope the Senator will not insist upon the amendment.

Mr. FLETCHER. It does not change the provision of the bill at all as to the powers of the Secretary of War or of the commission or anything else.

Mr. McKELLAR. Let the amendment be again read.

The PRESIDING OFFICER. The Secretary will again state the amendment offered by the Senator from Florida.

The Secretary again read the amendment.

Mr. McKELLAR. The words "as determined by the Secretary of War" are absolutely the important language in the proposed proviso.

Mr. FLETCHER. I am willing to strike out those words if that is the objection to the amendment.

The PRESIDING OFFICER. Does the Senator from Florida propose to strike out any portion of his amendment?

Mr. McKELLAR. As I understand, the Senator from Florida is willing to strike out the clause which he has indicated.

The PRESIDING OFFICER. Will the Senator from Florida please state what portion of the amendment he desires to strike out in order that the Secretary may understand it?

Mr. FLETCHER. I propose to strike out the words "as determined by the Secretary of War," and to let the amendment end with the word "used."

Mr. FRELINGHUYSEN. Mr. President, I simply wish to say to the Senate that this amendment practically nullifies the

amendment which we have just adopted, as offered by the Senator from Wisconsin [Mr. LENROOT]. So I hope the Senators are aware of the effect of the amendment.

Mr. CUMMINS. Mr. President, the amendment not only nullifies or neutralizes the amendment offered by the Senator from Wisconsin, but it is inconsistent with the spirit of the provision as reported by the committee, and is so repugnant to the whole idea that is sought to be expressed that it ought not to be approved at all.

Senators will observe that the provision of the committee amendment is that there shall be awarded such relief "as will under all the circumstances fairly and equitably compensate him or it for the expenditures made, obligations incurred, equipment, materials, or supplies furnished or acquired, or services rendered, as aforesaid." That is the rule laid down by the committee for the ascertainment of losses. Then the committee qualifies that rule by the proviso:

Provided, That in no event shall such contract provide for compensation on terms more favorable than the terms, if any, for which the aforesaid agreement, order, or request may have provided.

That is understandable; it is a real limitation or qualification upon the rule laid down by the committee; but, if this amendment is adopted, we shall find ourselves in the rather unfortunate attitude of having laid down one rule and immediately afterwards having prescribed another—a most unsatisfactory ending, I should think, for a very happy expression of the rule as the committee has reported it.

Mr. CHAMBERLAIN. Mr. President, I am in accord with the views expressed by the Senator from Iowa [Mr. CUMMINS], and I hope the amendment will not be adopted. It is a great pleasure to me at this time to have, for once, the Senator from Tennessee in accord with me. It proves that he is sometimes right.

Mr. McKELLAR. Mr. President, I am very frequently in accord with the distinguished Senator from Oregon, whom I love very dearly, and when I am not in accord with him I regret exceedingly that he is wrong.

Mr. FLETCHER. That would simply indicate that if both of those Senators are in accord I must be wrong, and I ask to withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HENDERSON. I have an amendment on the desk to the bill, to be known now as section 6, I believe.

The PRESIDING OFFICER. The Senator from Nevada offers an amendment, which will be stated.

Mr. LENROOT. I have an amendment to offer.

Mr. HENDERSON. I will yield to the Senator from Wisconsin, as I understand he has a new paragraph to offer.

Mr. McKELLAR. The amendment of the Senator from Wisconsin applies to the text itself.

The PRESIDING OFFICER. The Senator from Wisconsin offers an amendment, which will be stated.

The SECRETARY. On page 4, lines 6 and 7, it is proposed to strike out the words "or aid in procuring the same."

The PRESIDING OFFICER. The question is on the adoption of the amendment.

Mr. LENROOT. Mr. President, in order that the Senate may understand the purpose of this amendment, I will say that unless the amendment is adopted the bill is going to open the door to a veritable flood of claims not contemplated at this time at all. Under the language reported by the committee, if any department of the Government, if any dollar-a-year man on the War Industries Board, has made a request that somebody should do something with reference to the preparation of a contract or to do anything to aid the Government in securing munitions, although there is not a semblance of authority to make a contract, nevertheless the Government under the language of the bill is bound.

Mr. CHAMBERLAIN. May I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LENROOT. Yes.

Mr. CHAMBERLAIN. The committee thought that the idea which the Senator now has in mind was fully provided for in lines 4, 5, and 6, where the bill reads:

Has made an agreement with the Secretary of War, or with any officer or agent acting under his authority, or with any agency of the Government authorized to procure or aid in procuring—

Mr. LENROOT. "Or aid in procuring."

Mr. CHAMBERLAIN. Yes. It is only those contracts which are authorized to be made that are covered. We thought that was adequate protection.

Mr. LENROOT. It must be remembered, however, that all of these contracts were authorized to aid in the procuring of supplies. It is not so important, so far as the first paragraph is concerned, but the Senator will recall that with reference to the

subsequent paragraphs of the bill, where the claim is founded upon a mere request, it may be founded upon the kind of an agency I have suggested.

Mr. CHAMBERLAIN. I have no objection to the amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. FLETCHER. Let the amendment be again stated. The PRESIDING OFFICER. The Secretary will again state the amendment.

The SECRETARY. On page 4, line 6, after the word "procure," it is proposed to strike out "or aid in procuring the same," so as to read:

Or with any agency of the Government authorized to procure for the War Department.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin. The amendment was agreed to.

Mr. LENROOT. I offer another amendment. The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The SECRETARY. On page 8, line 17, after the word "requirements," it is proposed to insert "or compliance has been waived as herein provided."

Mr. LENROOT. That is to cover the objection made by the Senator from Iowa [Mr. CUMMINS] on yesterday.

Mr. CHAMBERLAIN. I have no objection to that amendment, Mr. President.

Mr. LENROOT. I will merely state the purpose of it. The bill as it now stands does not provide for an appeal to the commission in the case of contracts where compliance has been waived. This will permit such an appeal.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. LENROOT. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 8, line 12, it is proposed to strike out the words "any dispute arises" and to insert "the Secretary of War and the contractor shall fail to agree."

Mr. LENROOT. Mr. President, the contention has been made that the language of the bill would permit an appeal before the contractor and the Secretary of War had come to a disagreement. I doubt very much whether that is a proper construction; but I take it there will be no objection to making it clear that the appeal can only be had after a failure to agree.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. LENROOT. Mr. President, I have one more amendment to offer. I send it to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The SECRETARY. On page 4, at the end of line 20, it is proposed to insert the following:

And provided further, That such waiver shall not validate such contract or procurement order in so far as any claim for unearned profits may be involved.

Mr. LENROOT. Mr. President, this is the matter that was discussed yesterday as to making valid a contract that had not been validly executed, and there was some little discussion here as to whether the validation of such a contract would not give the contractor a valid legal claim to all unearned profits. I offer this amendment, which is in harmony with the one which has already been adopted by the Senate.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. CUMMINS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The SECRETARY. On page 5, line 3, after the word "form," it is proposed to insert the words "or when the Secretary of War has not waived such noncompliance."

Mr. CUMMINS. Mr. President, the amendment is intended to give the Secretary of War, and afterwards the commission, the opportunity to do justice in those cases in which a compliance has been waived.

Mr. McKELLAR. On what page and line, may I ask the Senator, does the amendment come in? My attention was temporarily diverted.

Mr. CUMMINS. On page 5, line 3, after the word "form," it is akin to an amendment offered by the Senator from Wisconsin [Mr. LENROOT] and is necessary to complete it. In other

words, it brings into paragraph 2 the cases in which compliance with strict statutory forms has been waived by the Secretary.

Mr. CHAMBERLAIN. So far as I am concerned, I am willing to accept the amendment, Mr. President.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. McKELLAR. Mr. President—

Mr. CUMMINS. Will the Senator allow me just another suggestion, and then I will not interfere again, I hope. I have another amendment, but unfortunately have mislaid it for the moment and can not put my hands upon it, but I should like to ask the Senator in charge of the bill, as well as the Senator from Tennessee, who is interested in another form of bill, a question. Suppose the Secretary of War, under the first paragraph of the committee amendment, declines to waive the failure to comply with the statutory requirements or form and the contract is therefore invalid, strictly considered. I want to provide jurisdiction on the part of the commission to review the action of the Secretary of War in that respect exactly as it is provided that the commission may review the action of the Secretary of War in every other respect which affects the rights of the contractors. Would the Senator from Oregon and the Senator from Tennessee have objection to such a provision?

Mr. McKELLAR. I have no objection to it. I think a better plan, however, would be for the Senator to vote for the Hitchcock amendment, which will put it beyond question; but, of course, that is a matter for him to determine. I have no objection to the amendment.

Mr. LENROOT. Mr. President, if the Senator will yield, may I ask why there should be any such provision now that the bill has been amended giving the contractors the benefit of the other provisions of the bill which do absolutely guarantee them a reasonable compensation?

Mr. CUMMINS. Mr. President, there is a difference between the remedy given under the second paragraph of the bill and the remedy that might be given under the first paragraph; and it seems to me that, if the commission is to stand in review of the act of the Secretary of War, it ought to have the power to review his act in refusing to validate a contract.

Mr. McKELLAR. I think clearly, under the Chamberlain bill, that if the Secretary of War should refuse, then the contractor could appeal to the commission. If that is not the construction to be placed upon the bill, I will be very glad to vote for an amendment which will effectuate that object, because the contractors ought to have that right.

Mr. CUMMINS. I do not think there could be an appeal prosecuted upon that ground.

Mr. McKELLAR. If the Senator will offer such an amendment, so far as I am concerned, I will be glad to have it made a part of the bill.

Mr. CUMMINS. I now have the amendment which I had in mind and will send it to the desk and ask to have it read.

The PRESIDING OFFICER. The Senator from Iowa offers an amendment, which the Secretary will state.

The SECRETARY. On line 21, on page 7, it is proposed to strike out the word "Thereupon," and insert the following:

If the Secretary of War shall refuse to waive noncompliance with statutory requirements in respect to any agreement within the purview of the first paragraph of section 1 of this act, or upon the expiration of 60 days from the date of the taking effect of this act shall have failed to waive such noncompliance, the contractor named in any such agreement may, within 30 days after such refusal or after the expiration of such 60 days, file with the chairman of said commission a notice of appeal in all cases where an appeal is taken hereunder.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

Mr. LENROOT. Mr. President, before the amendment is acted on, I should like to ask the Senator from Iowa a question. I should like to ask him if he has considered how that amendment affects the language of the remainder of the section? Do I understand that it is to be inserted before the word "Thereupon"?

Mr. CUMMINS. It is inserted in lieu of the word "Thereupon."

Mr. LENROOT. I ask to have the amendment again stated.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The amendment was again stated.

Mr. LENROOT. That is all right.

Mr. CHAMBERLAIN. I think the amendment is all right, Mr. President. It takes away from the Secretary of War the arbitrary power to refuse a waiver.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I think all sides to this contract controversy have ignored the House bill, which was sent over here to us to be considered. A careful perusal of that bill shows that it contains some very good provisions, and one especially that ought to go in this bill. I am going to offer an amendment, which I will read, because, in the form in which it is found, I believe I can read it better. After the word "thereof," in line 12, on page 12, I move to insert the following:

And provided further, That no settlement of any claim arising under any such agreement shall bar the United States Government through any of its duly authorized agencies, or any committee of Congress hereafter duly appointed, from the right of review of such settlement, nor the right of recovery of any money paid by the Government to any party under any settlement entered into, or payment made under the provisions of this act, if the Government has been defrauded, and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns, or any party or parties.

Mr. President, of course, that applies only to a settlement which is made in fraud of the Government, and I take it that there will be no objection to that amendment.

Mr. CHAMBERLAIN. Where does the Senator take it from the House bill?

Mr. McKELLAR. If the Senator will look at the bottom of page 2 and the top of page 3, he will see the words "That no" right at the bottom. I desire to have it come in as a new section immediately after the Pomerene amendment that was adopted. I had forgotten that the Senator from Ohio offered an amendment which was adopted a while ago.

The PRESIDING OFFICER. This is to be inserted after the last word of that paragraph as it is amended now?

Mr. McKELLAR. Yes.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Tennessee.

Mr. CHAMBERLAIN. Mr. President, just one moment. I believe that it would improve the amendment if the Senator would amend it just a little, by striking out the words "any such agreement" and inserting in lieu thereof the words "any contract covered by the terms of this bill."

Mr. McKELLAR. The amendment goes a little further than that, I believe.

Mr. CHAMBERLAIN. The amendment that the Senator has proposed reads as follows—

Mr. McKELLAR. It is identically the House provision on that subject.

Mr. CHAMBERLAIN. Yes. [Reading:]

That no settlement of any claim arising under any such agreement—

What agreement? I want it to read "any contract provided for in this bill."

Mr. McKELLAR. I will accept that amendment.

Mr. CHAMBERLAIN. Strike out the words "such agreement."

Mr. McKELLAR. I will accept that amendment; and I desire to ask unanimous consent that I may add the second proviso as well:

And provided further, That nothing in this act shall be construed to relieve any officer or agent of the United States from criminal prosecution under the provisions of any statutes of the United States for any fraud or criminal conduct.

The PRESIDING OFFICER. The Senator incorporates that in his amendment?

Mr. McKELLAR. Yes.

The PRESIDING OFFICER. Now the Senator from Oregon will please state his amendment.

Mr. CHAMBERLAIN. I want it to read in this way:

No settlement of any claim arising under the provisions of this bill shall bar the United States—

And so forth.

The PRESIDING OFFICER. Does the Senator from Tennessee accept that amendment?

Mr. McKELLAR. I accept it.

Mr. HITCHCOCK. I should like to know where it goes in.

Mr. McKELLAR. Immediately after the Pomerene amendment. Oh, the Senator means the Chamberlain amendment?

Mr. HITCHCOCK. Yes.

Mr. McKELLAR. That goes in at the top of page 3, in lieu of the words "such agreement." He inserts there "the contracts provided for in this act," which I think is very proper, on page 3 of the Chamberlain bill. It goes in as a new section.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. Following the amendment heretofore agreed to, offered by the Senator from Ohio [Mr. POMERENE], it is proposed to insert the following as a new section:

That no settlement of any claim arising under the provisions of this bill shall bar the United States—

Mr. McKELLAR. It ought to be "this act."

The SECRETARY (reading)—

That no settlement of any claim arising under the provisions of this act shall bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter duly appointed, from the right of review of such settlement, nor the right of recovery of any money paid by the Government to any party under any settlement entered into, or payment made under the provisions of this act, if the Government has been defrauded, and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns, or any party or parties; *And provided further,* That nothing in this act shall be construed to relieve any officer or agent of the United States from criminal prosecution under the provisions of any statutes of the United States for any fraud or criminal conduct.

Mr. CHAMBERLAIN. May I ask the Senator whether this portion of his proposed amendment will not delay the payment by the Government to these contractors and others?

Mr. McKELLAR. Why no. Why should it?

Mr. CHAMBERLAIN. I am going to ask the Senator now and call his attention to the language. Take the language of the House bill, if you please—"from the right of review of such settlement." Suppose a claim has been adjusted and liquidated under the provisions of this bill; will it not still be open to a review before the payment has been made?

Mr. McKELLAR. Oh, no; this applies only in cases of fraud. By the way, the third proviso should be added to this. I am going to ask unanimous consent in a moment that it shall be added. This section applies only to cases of fraud. Where a settlement under a contract has been procured by fraud the Government is not precluded by such settlement if it is fraudulently made.

Mr. CHAMBERLAIN. There may be some doubt about the language.

Mr. McKELLAR. It is only about fraud; and, if there is any doubt, the Senator can fix it in conference.

Mr. CHAMBERLAIN. We can probably adjust it in conference if there is that doubt.

Mr. McKELLAR. Yes.

Mr. President, I ask unanimous consent to insert also the third proviso:

And provided further, That this act shall in no way relieve or excuse any officer or his agent from such criminal prosecution because of any irregularity or illegality in the manner of the execution of such agreement.

The PRESIDING OFFICER. The Senator does not need unanimous consent for that. The amendment has not yet been adopted. It is the Senator's amendment.

Mr. McKELLAR. I move, then, that that be added to the amendment. I perfect the amendment by adding that.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee, as modified, to the amendment of the committee.

The amendment, as modified, to the amendment of the committee was agreed to.

Mr. FRELINGHUYSEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from New Jersey offers an amendment to the amendment which will be stated.

The SECRETARY. On page 7, line 23, after the word "thereon," it is proposed to insert the words "according to the justice and equity thereof," so that if amended it will read:

And make its award or finding thereon according to the justice and equity thereof.

The amendment to the amendment was agreed to.

Mr. HENDERSON. Mr. President, I offer as a new section the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Nevada offers an amendment, which will be stated.

The SECRETARY. It is proposed to add, as a new section, the following:

SEC. 7. That the Secretary of the Interior be, and hereby is, authorized and directed to ascertain and determine the amount or amounts of money heretofore invested or contracted to be invested and obligations incurred by any and all persons and investors for producing or for the purpose of producing or preparing for producing or acquiring property for producing, within the United States, to supply the urgent, published, and evident needs of the Nation during the war, any ores, metals, minerals, or mineral substances mentioned and enumerated in an act of Congress approved October 5, 1918 (public No. 220), entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported, or of which there is or may be an inadequate supply;" the production of which was requested or demanded by the War Industries Board, the Shipping Board, the Department of the Interior, or other agency of the Government.

And that said Secretary ascertain, determine, adjust, liquidate, and out of the moneys provided and appropriated by said act pay to the parties entitled thereto the amount of such losses and damages as he, the said Secretary, shall find and determine have been sustained and suffered or are likely to be sustained and suffered by reason of having made such investments for said purposes or having produced surplus stocks of such materials; and that in each case he shall make such

determination, provision, settlement, advancement, or final payment, and by agreement with owners and claimants make such other adjustment or take such other action as he shall find and determine to be just, equitable, reasonable, and expedient; and that he make such provisions as he may deem necessary, advisable, and reasonable to prevent further losses pending final decision, settlement, and disposition in any case or cases; that the payments herein authorized be made to the claimant or claimants the said Secretary shall find to be morally, equitably, and justly entitled thereto; that in ascertaining and determining the losses and damages sustained or to be sustained, and the adjustments, settlements, payments, and provisions to be made the said Secretary shall consider the prices and conditions existing at the time of each investment and the prices and conditions existing prior to the war, as well as those existing at the time of such determination, adjustment, and settlement, together with all of the circumstances and conditions of each case; that the final determination, decision, provision, disposition, and action of said Secretary in each case shall be conclusive and final; that all payments shall be made and all expenses incurred by the Secretary paid from the funds and appropriations provided and appropriated by said act of October 5, 1918 (public, No. 220), and that said funds and appropriations shall continue to be available for said purposes until such time as the said Secretary shall have fully exercised the authority hereby granted and performed and completed the duties hereby provided and imposed: *Provided, however,* That said Secretary shall consider, approve, and dispose of only such claims as shall be made hereunder and filed with the Department of the Interior within three months from and after the approval of this act.

That a report of all operations under this section, including receipts and disbursements, shall be made to Congress on or before the first Monday in December of each year.

That nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Nevada to the amendment of the committee.

Mr. SMOOT. Mr. President, I notice that this amendment authorizes the Secretary of the Interior—

To ascertain and determine the amount or amounts of money heretofore invested or contracted to be invested and obligations incurred by any and all persons and investors for producing or for the purpose of producing or preparing for producing or acquiring property for producing, within the United States, to supply the urgent, published, and evident needs of the Nation—

And so forth. I want to call the attention of the Senator from Nevada to the words "or acquiring property for producing." It seems to me that is going too far. I think that where a man has purchased a piece of property for producing these metals we should not authorize the Secretary of the Treasury to go into the question as to what he paid and whether he lost upon the purchase price of that property because of the fact that the war closed sooner than he anticipated. I believe that is going altogether too far. I will ask the Senator if it would not be very much better to strike out the words "or acquiring property for producing"?

Mr. HENDERSON. I will consent to that, Mr. President.

Mr. SMOOT. I offer that amendment to the amendment, on lines 6 and 7, of page 1, of the amendment.

Mr. CURTIS. Mr. President, could not this amendment be printed and go over until to-morrow? Some of us have not had a chance to read it. It is a very long and very important amendment.

The PRESIDING OFFICER. The Chair will state that the amendment has already been printed.

Mr. CURTIS. Some of us have had no opportunity to read it; and, as I understood, the Senator this afternoon offered some additional amendments to the one that he offered yesterday. We have had no chance at all to read his perfected amendment offered this afternoon.

Mr. CHAMBERLAIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. CURTIS. Certainly.

Mr. CHAMBERLAIN. I have tried to impress on the Members of the Senate the very great importance of the enactment of this measure, or some measure, for the relief of those that have been dealing innocently and patriotically with the Government of the United States.

Mr. CURTIS. Mr. President, I want to state to the Senator that I have no desire to delay action on the bill reported by him. I think there should be early action upon it; but I do object to passing upon an amendment offered here in the afternoon which none of us have had a chance to read, and which, it seems to me, goes very, very far indeed, and is liable to constitute a very bad precedent on the part of the Senate.

Mr. HENDERSON. If the Senator will yield just a moment, I wish to state that this amendment was proposed by me and printed on January 20 and is on the desks of all of the Senators.

Mr. CURTIS. But the Senator offered amendments to it this afternoon.

Mr. HENDERSON. No; it is absolutely in the form in which it was presented, with the exception of striking out two words.

Mr. CURTIS. The Senator stood upon the floor this afternoon and announced that he wanted to perfect his amendment.

Mr. HENDERSON. Yes. That was in order to introduce the same amendment that was printed on the 20th of November to the Chamberlain bill and the Hitchcock bill, so as to perfect them, to be sure that it would be considered under whichever bill passed the Senate. However, I have no objection to the amendment going over, so as to explain it to-morrow.

Mr. CURTIS. Some of us have been very busy with committee meetings; and, as far as I am concerned, I have not had time to read the amendment offered by the Senator.

Mr. HENDERSON. I have no objection to the amendment going over until to-morrow.

Mr. CURTIS. If the members of the committee have read the amendment and are able to state to us what it contains, and what its effect will be, I am perfectly ready to vote upon it.

Mr. CHAMBERLAIN. Mr. President, I will say to the Senator that in view of the feeling of some of the Senators about the matter, I am going at the proper time to move that the Senate take a recess until to-morrow at 12 o'clock.

Mr. HITCHCOCK. Before the Senator makes that motion I ask for a reprint of the bill showing the committee amendment in italics and the amendments adopted thereto in the Committee of the Whole printed in small capitals. I ask that the bill be reprinted and ready for the use of the Senate to-morrow morning.

Mr. CHAMBERLAIN. I join in that request.

The PRESIDING OFFICER. That order will be made, without objection.

Mr. FLETCHER. Mr. President, before any action is taken may I ask the Senator from Nebraska if he would be willing, on page 2, line 12 of his proposed substitute, in case that should be adopted, to change the word "signed" to the word "acted," so that it would read:

Not legally qualified or authorized to give a formal legal contract, except where such officer has acted as the representative of a superior officer—

Instead of "signed"?

Mr. HITCHCOCK. Yes; I have no objection to that.

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Without objection, the amendment to the amendment is agreed to.

Mr. McKELLAR. Mr. President, on yesterday I asked to have inserted in the Record certain testimony taken from the evidence of Mr. Charles A. Rice. Only a portion of that testimony was inserted; and I ask unanimous consent to have the remainder of it inserted now as a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. SMOOT. The Senator only wishes to have the additional testimony inserted?

Mr. McKELLAR. That is all; just the additional testimony. The matter referred to is as follows:

DYEING INDUSTRY.

The statement of Mr. Charles A. Rice is as follows:

STATEMENT OF MR. CHARLES A. RICE.

Senator McKELLAR. Mr. Rice, what position do you occupy with the Government?

Mr. RICE. I am chief of the cotton converting section of the cotton goods branch in the Quartermaster General's Office.

Senator McKELLAR. How long have you been there?

Mr. RICE. I came to Washington the latter part of February and started in the very last of February.

Senator McKELLAR. Started in this present section?

Mr. RICE. Yes, sir.

Senator McKELLAR. Had you been connected with the Government before in any way?

Mr. RICE. Not at all.

Senator McKELLAR. What was your firm in New York?

Mr. RICE. The firm of Myrick & Rice.

Senator McKELLAR. Are you connected in any way with that firm now?

Mr. RICE. Not at all, sir.

Senator McKELLAR. Do you own any stock in it?

Mr. RICE. No, sir; none whatever. In fact, it was a partnership—it was not a stock company—acting as agents.

Senator McKELLAR. And you have disposed of all agency you had with the firm?

Mr. RICE. I have.

Senator McKELLAR. Do you expect to go into it after the war?

Mr. RICE. I can not say as to that. I mean, I have not any agreement to; none whatever with Mr. Myrick. In fact, that all depends.

I can not say what I would do or will do after that—after the war is over.

Senator McKELLAR. Have you done any business with that firm since you have been in the employ of the Government?

Mr. RICE. I am doing business with concerns that they represent.

Senator McKELLAR. With concerns that they represent. To what extent are you doing business with firms that they represent?

Mr. RICE. Only to the extent that I consider that they are equipped to handle certain lines of work that have been needed; that is, along the lines of sulphur dyeing.

Senator McKELLAR. Will you explain your method of contracting in the sulphur-dyeing industry?

Mr. RICE. My personal plan when I took hold of it was to get a statement as to the equipment of all the finishers, and knowing what the equipment should be from the practical point of view I lined up

the contractors ail over the country as to their equipment, as to wide machinery and narrow machinery and what character of machinery they had for dyeing of light and heavy goods, and then later I made a personal investigation, a personal inspection of these plants in connection with the inspectors, the chief inspectors of the depot quartermaster; and then I sent out lists asking quotations from all contractors whom I considered capable of handling this business, and apportioned out the material to the lowest bidders, considering, of course, their equipment and their organization, as to their being capable of handling this material, and apportioned out the business.

Senator McKellar. Was it done on the competitive basis?

Mr. RICE. It is not; always.

Senator McKellar. What methods do you pursue? Do you let it to the lowest bidder?

Mr. RICE. I do, provided I consider they are equipped properly and understand the handling of this particular kind of work.

Senator McKellar. Can the dye operators of the country do all the Government work without any trouble?

Mr. RICE. Without any additional equipment.

Senator McKellar. Is there sufficient now to do it?

Mr. RICE. I so consider. In fact, it has been so, and I believe it is so.

Senator McKellar. Why would not the cheaper plan for the Government be to ask for sealed bids and give it to the lowest bidder who was responsible?

Mr. RICE. Of course, I do not know that I am correct on this, but my position is that I believe the dyeing and finishing business is somewhat different from advertising for a supply of boots and shoes, or even cotton goods. I know that the dyeing and finishing business especially, under present conditions and in such conditions as we have had during this war, is a business that has got to be very carefully handled; you have to consider the personnel and the equipment, as to whether these firms are able to handle bleaching or dyeing—on account of varying cotton materials and chemicals and dyestuffs and the various manufactures of chemicals and

Senator McKellar. But, at the same time, Mr. Rice, the manufacturing concerns and the houses that you formerly represented as sales agent and broker are receiving many contracts under you.

Mr. RICE. No; but a very small amount.

Senator McKellar. And the same thing is true of Mr. Bailey. I am talking to you in all frankness. Complaints have come in that you both came down here, as I believe, as dollar-a-year men, and that you were connected with these firms.

Mr. BAILEY. I did; Mr. Rice did also.

Senator McKellar. Maybe not. Maybe he came in after any necessity for the dollar-a-year men in the Quartermaster Department.

Mr. BAILEY. Yes; I think so.

Senator McKellar. But, anyway, it is claimed by your competitors, or men who have been your competitors, that by reason of your position you say which contractors shall get and which contractors shall not get a particular job. Just take the particular illustration that Mr. Rice made a while ago. He asked for quotations on the dyeing of khaki cloth, and numerous bids were made at 4 cents, and the Sayles Co., I believe, put in a quotation of 4.75 cents; and Mr. Rice, after going over it, said that he would give it to Mr. Sayles, but he must put it at the 4 cents. Now, you can easily understand how every bidder who bid 4 cents feels that Mr. Rice ought never to have done that; that they were the cause of the Government getting it at 4 cents; and they ought to have had it at 4 cents.

Mr. DONALD. They had all they could handle without it.

Mr. RICE. They had all they wanted first.

Senator McKellar. They do not feel so. They would not have put those figures in if they had not felt that they could do it, and they feel that they are just as competent to know what they can do as you gentlemen here in Washington; and they do not feel as if they had had a square deal about it; and one of them said to me that at the very time you gave this contract to the Sayles Co., the Sayles Co. was filled up, and really was delayed in the getting out of these goods, whereas they were open and able to deliver to the Government quicker.

Mr. RICE. No.

Senator McKellar. Now, those are the practical questions that confront you gentlemen here this morning. We want to be absolutely fair, now, and we want to protect the Government and we want to be fair to everybody alike. My opinion is that a system ought to be instituted that will be fair, and such that no man can say that the Government's agents are not treating him fairly. Now, we must make it so that no man can say that, and that is what the Navy has done. We ought to follow the Navy's lead in the proposition.

Mr. RICE. I think you will always have that, Senator.

Senator McKellar. Who is the Southbridge Printing Co.?

Mr. RICE. A concern at Southbridge, Mass. They have been in sulphur dyeing for the last two years or more.

Senator McKellar. Who owns it?

Mr. RICE. Mr. Schuster, Mr. Heyward, Mr. Saunders—James A. Saunders—R. A. Rice, and Mr. Myrick. Mr. Hartley had some stock in there.

Senator McKellar. Who is Mr. R. A. Rice?

Mr. RICE. He is a brother of mine.

Senator McKellar. He is still interested in it?

Mr. RICE. Yes; he is still interested in it.

Senator McKellar. What amount of stock does he own?

Mr. RICE. It is my recollection, something like 75 shares. I would not state exactly. Of course, that is of record.

Senator McKellar. What interest did you have in the business before you came down here?

Mr. RICE. I had about a little over one-quarter of the stock.

Senator McKellar. How much is it capitalized at?

Mr. RICE. \$135,000.

Senator McKellar. How much, in contracts, has that concern got?

Mr. RICE. I believe about, all told, during the year—of course I can give you an exact account of it.

Senator McKellar. I would be glad to have it.

Mr. RICE. About 3,000,000 yards.

Senator McKellar. 3,000,000 yards?

Mr. RICE. The recent contract, the gas-defense contract, they are doing some of the paraffining for the gas defense.

Senator McKellar. What did you do with your stock? To whom did you sell it?

Mr. RICE. To my wife. The Quartermaster's Department stated that should be done, and I transferred it to my wife.

Senator McKellar. You did not sell it to her, did you?

Mr. RICE. I just transferred it over for \$2.

Senator McKellar. You just put it in her name, so you would not be interested in it?

Mr. RICE. Yes; I transferred it over to her. In other words, it belongs to her.

Senator McKellar. Is there any other company you are connected with which you transferred to your wife the stock in?

Mr. RICE. Yes; I had some stock of the Fiskdale Finishing Co.

Senator McKellar. What is the capital of that company?

Mr. RICE. The capital is \$200,000 preferred and \$300,000 common.

Senator McKellar. And what was your interest in that?

Mr. RICE. My recollection is that it was a little over a quarter interest.

Senator McKellar. And you transferred that to your wife?

Mr. RICE. That was in the common stock of that company; and I had, I think, about \$15,000, if I recall, of preferred stock. I turned that over to my wife.

Senator McKellar. Have you done any business with that company?

Mr. RICE. Yes, sir.

Senator McKellar. How much have you allotted to them?

Mr. RICE. I should say about 3,000,000 yards during the year.

Senator McKellar. Have those contracts been filled?

Mr. RICE. Not all of them. They are working on them now. In fact, some of the material has been delivered to them. Gray mills are behind on the gray contracts.

Senator McKellar. Are there any other companies with which you were connected?

Mr. RICE. No, sir; those are the only two companies I had owned any stock in.

Senator McKellar. Your partnership was with Mr. Myrick?

Mr. RICE. Mr. Myrick.

Senator McKellar. What contract have you with Mr. Myrick about your firm business while you are down here?

Mr. RICE. None whatever. I sold out to Mr. Myrick. I have resigned and am no longer a member of the firm of Myrick & Rice. I am out of it entirely.

Senator McKellar. Who are the owners of that firm?

Mr. RICE. Mr. Myrick is the sole owner now of the firm.

Senator McKellar. Would you object to stating upon what terms you sold out that business?

Mr. RICE. Certainly; I will be glad to state. I sold out of the firm for \$5,000, and all the interest that I had there for \$15,000, the total amounting to \$20,000. The \$15,000, of course, was pay for back contracts on commercial business; nothing whatever on any Government business.

Senator McKellar. When were these transactions; last March, before you came down here?

Mr. RICE. Last March; yes.

Senator McKellar. At whose instance did you come?

Mr. RICE. At the request of Mr. Albert Scott and Mr. Miller Wilson.

Senator McKellar. What has become of Mr. Scott? What is he doing now?

Mr. RICE. I could not say. He is in Boston. I could not tell you just what he is doing.

Senator McKellar. Mr. Scott was interested in nearly all these mills, was he not?

Mr. RICE. I could not say.

Senator McKellar. You did not know that he had large interests in them?

Mr. RICE. No, sir; I did not know anything about it. In fact, I had never met Mr. Scott but once in 1917.

Senator McKellar. Mr. Scott, I do not believe, had any interest in any of these competing plants, but he had interests in all the cotton manufactories, or was represented in them.

Mr. DONALD. Only a very few, Senator.

Senator McKellar. That is neither here nor there. It does not make any difference.

Mr. DONALD. Of his firm, Lockwood Green was agent for three or four or five cotton mills.

Mr. BAILEY. Yes.

Senator McKellar. Now, what dyeing concerns among those you have here were represented by Myrick & Rice?

Mr. RICE. On the commercial business only, the Martin Dyeing & Finishing Co. We never had anything to do with Government business.

Senator McKellar. The Martin Dyeing & Finishing Co. at Bridgeton?

Mr. RICE. Yes. The Government business was entirely handled by Mr. Fred S. Bennett.

Senator McKellar. Where is he?

Mr. RICE. In New York City.

Senator McKellar. He represents the Martin Dyeing & Finishing Co.?

Mr. RICE. He is the representative of the Martin company on Government business only.

Senator McKellar. He never has been connected with the Government in any way?

Mr. RICE. No; not to my knowledge.

Mr. BAILEY. Never.

Senator McKellar. Was he ever here in Washington?

Mr. BAILEY. Not in any official capacity.

Senator McKellar. Did he work here for the Government at all.

Mr. BAILEY. No, sir.

Senator McKellar. In an unofficial capacity?

Mr. BAILEY. Oh, no, sir. He was an original member of the cotton-goods committee of the Council of National Defense.

Senator McKellar. That is, of the old Council of National Defense?

Mr. BAILEY. Yes.

Senator McKellar. How long did he serve with that committee?

Mr. BAILEY. He served from April until June. I am speaking from recollection. He resigned very early from that.

Senator McKellar. So that he was connected with this cotton-goods committee of the Council of National Defense, which had in charge these things?

Mr. BAILEY. He was on the cotton-goods committee of the committee on supply, the subsidiary committee representing the industry.

Senator McKellar. Were there any other firms that your firm represented, Mr. Rice, besides the Martin Dyeing & Finishing Co.?

Mr. RICE. Yes; the Mansfield Bleachery.

Senator McKellar. At Mansfield, Mass.?

Mr. RICE. At Mansfield, Mass.

Senator McKellar. Any others?

Mr. RICE. The Southbridge Printing Co.; the Fiskdale Finishing Co.; the Slatersville Finishing Co., at Slatersville, R. I.; the Edgewater Dyeing & Finishing Co., of Philadelphia.

Senator McKellar. The Martin, the Mansfield, the Southbridge, the Slatersville; and were there any others?

Mr. RICE. The Edgewater. I believe there were eight.

Senator McKELLAR. You have named six of them. Have all these concerns gotten contracts from the Government?
 Mr. RICE. No, sir.
 Senator McKELLAR. Which ones have not?
 Mr. RICE. The Martin Co.
 Senator McKELLAR. The Martin Co. has not?
 Mr. RICE. The Martin Co. has had contracts.
 Senator McKELLAR. All right, sir.
 Mr. RICE. The Edgewater has had contracts; the Southbridge and the Fiskdale have had contracts.
 Senator McKELLAR. And the Mansfield?
 Mr. RICE. They had one or two contracts in the spring.
 Senator McKELLAR. The Slatersville?
 Mr. RICE. Only one or two, recently. We have been giving them some recently.

Mr. CHAMBERLAIN. I move that the Senate take a recess until 12 o'clock noon to-morrow.

Mr. FRELINGHUYSEN. Mr. President, before the recess is taken I think we should point out to the Senator from Nevada that the amendment which he proposes to this bill undoubtedly will delay the bill in conference. This is one of the most important bills which has come before the Senate. It involves the settlement of nearly \$2,000,000,000 worth of contracts. This legislation should have been passed two months ago; and I do hope the Senator will not press that amendment on this bill when the time comes.

RECESS.

Mr. CHAMBERLAIN. I renew my motion for a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, January 29, 1919, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, January 28, 1919.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Lead us, O Lord God, our Heavenly Father, by Thy counsels through the remaining congressional hours of this day.

Give to these Representatives of our people clear minds, conscientious scruples, high ideals, that they may hallow Thy name in all the legislative acts they may record in history. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4887. An act making an appropriation for a sewer system at the Carson Indian School at Stewart, Nev.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 2784) to authorize the purchase by the city of McMinnville, Oreg., of certain lands formerly embraced in the grant to the Oregon & California Railroad Co. and revested in the United States by the act approved June 9, 1916.

The message also announced that the Senate had passed the following resolutions:

Senate resolution 430.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Hon. EDWARD EVERETT ROBBINS, late a Representative from the State of Pennsylvania.

Resolved, That a committee of seven Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

And that the Vice President, under the second resolution, had appointed Mr. PENROSE, Mr. KING, Mr. OVERMAN, Mr. WARREN, Mr. BAIRD, Mr. THOMPSON, and Mr. KNOX as said committee on the part of the Senate.

Also the following resolution:

Senate resolution 422.

Resolved, That the Senate expresses its profound sorrow in the death of Hon. ROBERT F. BROUSSARD, late a Senator from the State of Louisiana.

Resolved, That as a mark of respect to the memory of the deceased the Senate, in pursuance of an order heretofore made, assembles to enable his associates to pay proper tribute to his high character and distinguished public services.

Resolved, That the Secretary communicate these resolutions to the House of Representatives, and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

Also the following resolution:

Senate resolution 423.

Resolved, That the Senate expresses its profound sorrow in the death of Hon. WILLIAM HUGHES, late a Senator from the State of New Jersey.

Resolved, That as a mark of respect to the memory of the deceased the Senate, in pursuance of an order heretofore made, assembles to enable his associates to pay proper tribute to his high character and distinguished public services.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 4887. An act making an appropriation for a sewer system at the Carson Indian School at Stewart, Nev.; to the Committee on Indian Affairs.

THE RAILROADS.

Mr. GARNER. Mr. Speaker, I want to insert in the RECORD some resolutions passed by the State Senate of Texas touching the railroad question.

The SPEAKER. Is there objection?

Mr. DENISON. Reserving the right to object, Mr. Speaker, will the gentleman state what is the nature of the resolutions?

Mr. GARNER. They express the opinion that the railroads ought to be turned back to the owners of them. If the gentleman wants to know the substance of it, that is what it is.

The SPEAKER. Is there objection?

There was no objection.

Following are the resolutions referred to:

Whereas postwar and reconstruction conditions have brought these United States of America many problems of great import, and perhaps the one of greatest importance is the question of Government ownership of the railroads of the United States; and

Whereas our great democratic President, in whose wisdom we have every reason to confide, in his address to Congress on December 2, said:

"The question which causes me the greatest concern is the question of the policy to be adopted toward the railroads. I frankly turn to your counsel upon it"; and after making other illuminating statements on this subject, further says, "Let me say at once that I have no answer ready. The only thing that is perfectly clear to me is that it is not fair either to the public or to the owners of the railroads to leave the question unanswered and that it will presently become my duty to relinquish control of the roads, even before the expiration of the statutory period, unless there shall appear some clear prospect in the meantime of a legislative solution. Their release would at least produce one element of its solution, namely, certainty and a quick stimulation of private initiative"; and

Whereas in wisdom, so characteristic of the man, our President has turned to Congress for counsel on this momentous subject, in his keen sense of justice endeavoring to deal fairly with the owners of the railroads and protectively to the public welfare; and

Whereas we feel that the Congress of the United States will, by being informed of public sentiment, be better able to solve and direct the course of the problem, and recognizing the necessity, as expressed in the President's address, of relinquishing control of the railroads as quickly as possible and the certainty of conditions that said release of the railroads by the Federal Government would immediately establish; therefore, be it

Resolved by the Senate of this the Thirty-sixth Legislature of the State of Texas, That we favor the return of the railroads to their owners as immediately as it can be accomplished without confusion or losses; be it further

Resolved, That we believe and think private ownership under strong Government control and regulation in service, income, and disbursements is desirable, and we do not believe Federal Government ownership of railroads is for the best interests of the people at this time; be it further

Resolved, That the secretary of the senate forward properly authenticated copies of this resolution to each United States Senator and Member of Congress from Texas for their consideration, and a copy to the chief clerks of the house of representatives and the senate of each State.

EXTENSION OF REMARKS.

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the letter of Chief Justice Taney, under date of February 16, 1863, known as his remonstrance against the imposition of an income tax upon judicial salaries, and also the opinion of Attorney General Hoar in relation to the same. I do this for the benefit of the conferees of the House and the few lurking lovers of the Constitution throughout the country.

The SPEAKER. Is there objection?

There was no objection.

ADMINISTRATION OF THE OVERMAN ACT.

Mr. GOULD rose.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. GOULD. I rise to make a privileged motion, Mr. Speaker. I move to discharge the Committee on the Judiciary from further consideration of House resolution 481.

Mr. GARNER. Mr. Speaker, is the gentleman recognized for that purpose?